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Chris Helgren/Reuters

A mother being helped Sunday after visiting her son's grave in Sarajevo. The son died one year ago in a mortar attack on a market that killed dozens of people.

Bosnia Croats and Muslims to Put Feuds to Mediator

By Rick Atkinson
Washington Post Service

MUNICH — Bosnian Muslims and Croats, under pressure from the United States to shore up their fragile federation, agreed Sunday to submit any grievances to an international mediator for binding arbitration.

U.S. officials who brokered the agreement at a meeting in Munich portrayed the nine-point accord as an important diplomatic step in containing the Bosnian civil war.

The outlook in Bosnia is taking a grim turn, policy experts warn. Page 2.

An assistant secretary of state, Richard C. Holbrooke, said the United States would bolster the federation by providing constitutional law experts and a retired U.S. general to serve as a military adviser.

Wealthy industrial nations also will be asked to join "Friends of the Federation" and contribute at least $10 million each in aid, Mr. Holbrooke said.

The Croatian-Muslim federation has been among the few diplomatic successes by outside powers trying to end the carnage. Forged last March at Washington's behest, the alliance converted former enemies into allies aligned against the Bosnian Serbs.

But the federation has been besieged by problems that threatened to set Croats and Muslims at each others' throats again, including disputes over a joint military command, a single currency, the distribution of

See BOSNIA, Page 8

China Reacts Defiantly To Threat on Tariffs

Washington Sees Declining Relationship

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — U.S. relations with China on topics ranging from trade and human rights to Taiwan are worsening because Beijing is ruled by cautious and prickly officials who are less responsive to U.S. pressure than China's ailing leader, Deng Xiaoping, according to U.S. officials and intelligence analysts.

The Clinton administration's decision to impose trade sanctions against Beijing later this month in retaliation for its refusal to

NEWS ANALYSIS

clamp down on piracy of U.S. copyrights and patents is a sign of the new tensions that U.S. officials expect with China under its new political leadership.

Although the 91-year-old, reform-minded Deng — who took power in 1978 — still clings precariously to life, U.S. officials concluded recently that he no longer played any significant role in the country's policy-making.

That view has been confirmed by Mr. Deng's daughter, Deng Rong, who said in Paris on Saturday that her father had "already retired" and that "the destiny of China is now in the hands of the new team" of leaders.

The U.S. administration believes power has passed to a clique of technocrats and military officials led by the president and Communist Party chief, Jiang Zemin.

Mr. Jiang is seen by Washington as a much weaker and stodgier politician than Mr. Deng, rendering him largely incapable of resolving major disputes through compromise. His lesser stature has allowed nationalists and conservatives to begin exerting new influence — a development that U.S. officials fear will undermine key U.S. commercial and political interests in China.

At best, the officials said in recent interviews, Washington expects to see a slowdown or stagnation of political reform in Beijing and the continuing repression of basic human rights under the new leaders.

At worst, the U.S. administration may be confronted by more problematic actions, including an even harsher political

See TIES, Page 8

Beijing Plans To Retaliate On U.S. Goods

By Kevin Murphy
International Herald Tribune

HONG KONG — China responded defiantly on Sunday after Washington followed through with threats to impose punitive tariffs on more than $1 billion of imported goods for Beijing's failure to protect intellectual property rights.

"This is nothing terrible," Foreign Trade Minister Wu Yi said in Beijing in response to the announcement of the largest trade sanctions in American history. China, she said, would simply turn to other countries that were happy to have its trade.

"There are countless markets abroad for Chinese products," she said. "This is nothing that we cannot deal with. Other countries are happier about this."

Washington's decision to impose 100 percent tariffs on goods ranging from cellular phones to silk blouses was countered immediately by Beijing's announcement of similar tariffs against American-made goods such as cigarettes and alcohol.

China also said it was suspending talks with U.S. automakers over setting up joint ventures in China to build cars and minivans.

Each side said its penalties would take effect on Feb. 26.

Past trade disputes between China and Washington have invariably been settled through last-minute compromise. Last February, China struck a deal in a textile dispute on the very day when U.S. sanctions were to take effect.

Yet, many analysts here said Sunday that they could not identify concessions each side might be willing to make that would resolve this dispute.

Domestic political circumstances in each country — including the serious illness of China's paramount leader, Deng Xiaoping — have hardened positions on both sides, and each has backed away from conciliation with renewed rhetoric.

China did not close the door Sunday on fresh negotiations, but Mrs. Wu gave no hint when they might start, if at all. She would not comment on reports that Beijing would dispatch negotiators to Washington next week to restart the talks.

[The U.S. commerce secretary, Ronald

See TRADE, Page 8

Alexander's Tomb? Greek Team in Egypt Says 'No'

By Chris Hedges
New York Times Service

CAIRO — A high-level archaeological team from the Greek government, investigating claims that a lone excavator had discovered the tomb of Alexander the Great in Egypt's western desert, said Sunday after a visit to the site that they saw no evidence to support the announcement.

An archaeologist, Liana Souvaltzi, announced last week that she had uncovered three tablets that proved that a structure outside the oasis of Siwa, 80 kilometers (50 miles) east of the Libyan border, was the final resting place of Alexander. She said the building, which she describes as a tomb, was built in Macedonian style.

But the Greek team, led by general secretary of the Culture Ministry, George Thomas, said it was unclear if the structure was even a tomb. He and members of the team said the style of the complex was not Macedonian.

They also said that the fragments of tablets they were shown did not support any of the translations Mrs. Souvaltzi provided as proof of her discovery. Team members said that the fragments they saw were from the Roman period, about 300 years after the death of Alexander the Great in 323 B.C.

"We are not sure if the complex is a tomb or a temple," said Yanni Tzedakis, Greece's director of antiquities, "although there are elements of the Hellenistic period in the rubble. It appears, however, to be from a later period."

Mrs. Souvaltzi has refused to allow the visiting team to read her report on the excavations. She also has refused to brief the team on her work, and did not accompany the team to the site outside of Siwa on Sunday. She gave no reason for her refusal to cooperate with the Greek officials.

"The fact that the report on the excavations is not being shown to us is curious," said Mr. Tzedakis. "She should present photos and plans, along with details of the excavations, to back up her claim. This is how it is done in Greece."

The chairman of the Egyptian Antiquities Organization, Abdel Halim Noureddin, who said last week that he

See TOMB, Page 8

G-7's Financial Chiefs Try To Calm Monetary Waters

By Lawrence Malkin
International Herald Tribune

TORONTO — Chastened by the whirlwind that brought down the Mexican peso, the industrial world's financial authorities are embarking on a mission to prevent huge movements of money from swamping other big borrowers — and indeed the financial system itself. But there is no certainty that they know how to do it.

A meeting here of the finance ministers of the Group of Seven industrialized countries succeeded in smoothing over the resentment of Bonn and London that led them to withhold support for the $17.8 billion bailout Washington railroaded through the International Monetary Fund last week.

The bailout revealed the holes in the international financial safety net. Yet, even before the Mexican crisis, finance ministers and central bankers from the United States, Germany, Britain, Canada, France, Italy and Japan had planned a quiet weekend here to brainstorm for their economic summit meeting at Halifax, Nova Scotia, in July about how to reshape the world's financial institutions.

Those institutions must become "as modern as the markets and the world we live in," Treasury Secretary Robert E. Rubin said. As the former boss of the international brokerage firm Goldman, Sachs, he knows the vulnerability of official institutions to the New York foreign exchange market, for example, which trades more than $200 billion in a single day.

His argument was further underlined by the very fact that the Toronto meeting was unable to tie up all the loose ends of the Mexican package, which had to depend on international institutions after Congress balked on rescuing the peso.

Terms of a $10 billion line of credit from the Bank for International Settlements, the central bankers clearinghouse and the traditional fireman in such rescues, presented a problem that is more an embarrassment than an actual impediment.

The Switzerland-based bank usually offers short-term credits that serve as a bridge to longer loans from the IMF or other sources, and the central bankers' security usually is the prospect of rolling the credits over into the longer loans. But this time, Fund money starts flowing to Mexico on Monday — before the central bankers bank can even unroll its hose.

To assuage the Europeans, one principle firmly established by the Seven is that Mexico will have to follow tough domestic economic policies under close tutelage of the Fund, which normally doles out money

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AGENDA

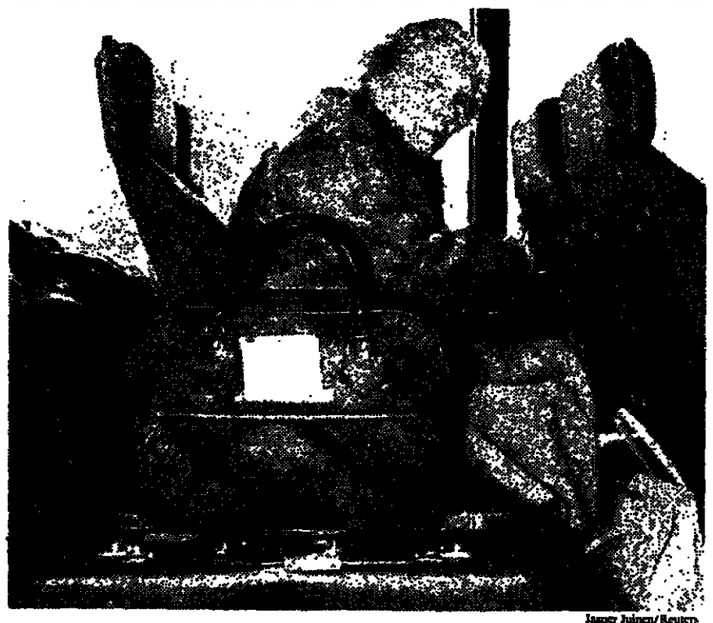
Algiers Politician Found Decapitated

ALGIERS (AP) — An official of Algeria's former governing party has been found decapitated, security forces said Sunday, and Islamic extremists took responsibility for last week's deadly car bombing and promised more.

"The Armed Islamic Group have men who love to die," read a text published by the newspaper Al Hayat. The claim of responsibility said that two men, one aged 16, had driven the explosives-packed car that blew up in front of the Algiers police headquarters last Monday, killing 42 people.

Security forces, meanwhile, confirmed a report in the newspaper Horizons that Ahmed Kasmi, a member of the National Liberation Front's central committee, was decapitated last week. It said that Mr. Kasmi's head was found Thursday at a bus station in Khemis-Miliana, west of Algiers. He had been kidnapped two days earlier. There was no immediate claim of responsibility for the killing.

Mr. Kasmi was the second member of the Front's central committee to be killed. The National Liberation Front ruled Algeria for nearly three decades.



Jasper Juinen/Reuters

A DRY RUN — A woman waiting on a bus Sunday in Tiel, Netherlands, for the ride home as most Dutch flood evacuees returned to their houses. Page 2.

As Bombay Real Estate Soars, Yuppies Go Slumming

By Molly Moore
Washington Post Service

BOMBAY — R.N. Ramachandran, 30-year-old Bombay yuppie, recently bought his first apartment in the only neighborhood he could afford — the city's largest slum.

"I never thought I'd be living here," said Mr. Ramachandran, director of a television news program. "But it's the only thing in central Bombay that's affordable for the middle-class professional."

Bombay has become one of the world's hottest urban real estate markets. In the last two years prices have shot up faster than in any other major city in the world, driving the cost of prime buildings more than four times higher than the price of choice commercial properties in the heart of New York City.

The price spiral is one of the more conspicuous signs of the way India's economic reforms are changing life in its big cities.

Bombay, the western port city that has always been the country's commercial hub, has been given a major boost by the reform program, which since 1991 has opened India's borders to foreign investment and allowed private enterprise to take control of many government-run enterprises.

At the same time that hundreds of international firms are trying to establish headquarters in Bombay for their Indian operations, domestic companies are multiplying to feed the country's consumption growth.

In virtually all fields — from finance to marketing to manufacturing — Bombay is at the heart of the economic revolution. As a result, demand for land, office space and housing is expanding far more rapidly than the city can accommodate, sending prices spiraling.

In one recent sale that stunned even the most hardened real estate brokers, a vacant lot purchased for $1.9 million was sold at auction three months later for $7.4 million.

Commercial space in the city's top office buildings is now selling for as much as $1,100 a square foot — compared with $250 for prime locations in central Washington in recent months. Bombay real estate agents are speculating that apartments in the city's newest high-rise luxury residential building, expected to be completed later this year, could fetch as much as $3 million for three bedrooms and a sea view.

The explosion in prices has spawned problems that threaten to unravel the social fabric of a city that has long been a

See BOMBAY, Page 9

Newsstand Prices

Andorra	9.00 FF	Luxembourg	60 L. Fr
Antilles	11.20 FF	Morocco	12 Dh
Cameroon	1,400 CFA	Qatar	8.00 Rials
Egypt	E.P. 5000	Réunion	11.20 FF
France	9.00 FF	Saudi Arabia	9.00 R.
Gabon	960 CFA	Senegal	960 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,600 Lire	Tunisia	1.000 Din
Ivory Coast	1,120 CFA	Turkey	T.L. 45,000
Jordan	1 JD	U.A.E.	8.50 Dirh
Lebanon	US$ 1.50	U.S. Mil. (Eur.)	$1.10

To Our Readers

With today's editions, the International Herald Tribune is expanding its coverage of the world. There will be more news of Europe, Asia and the Americas, and greater breadth and detail in the IHT's treatment of those regions.

In addition to new pages featuring Asia and Europe, we are opening up space daily for major articles on Page Two, creating room for a more extensive look at a subject close to the news from our own staff and the reporters and correspondents of The New York Times and The Washington Post.

An individual page is being given over to each of three major areas — Europe, Asia and the Americas. The Europe page offers a column called Briefly Europe with emphasis on concise reporting about the day-to-day business of organizing Europe and its institutions. It includes a daily calendar of the most important events on the schedule of the European Union.

The Asia page focuses on the rapid political and sociological development of the region as it grows as an economic power. A feature called Briefly Asia includes Voices From Asia, a small sounding board for what people in the region are saying.

The Americas page continues with features like Political Notes. Other regions of the world find their place on pages labeled International. The new designated pages and features appear from Monday to Friday, while the weekend paper maintains its emphasis on the arts and personal investing.

This expansion reflects surveys we have made about the interests and habits of the people who read this newspaper. The results show a desire among our readers for more news and analysis from the places that count for them. Our readers underscore that they want the expanded news and analysis reported and presented in the IHT's manner — clearly, authoritatively and elegantly. The response starts today.

PAGE TWO

Reinventing a City/**A Magnet for Architects**

Berlin, Its Warts Visible, Is Yearning for a Facelift

By Paul Goldberger
New York Times Service

BERLIN — What struck me first in Berlin was not energy but emptiness. This city that is supposed to be the capital of the new Europe begins with a void, with the startling discovery that its center is 17 acres of weeds and debris.

Where the streets lead you as you seek out its heart turns out to be a sprawling vacant lot. Some of it is surrounded by fences, but most of it is open, and since Berlin has few tall buildings, there is almost no skyline to frame this lunar landscape.

Berlin's two most famous landmarks, the Brandenburg Gate and the Reichstag, hover in the distance, while the foreground is all nothingness.

This was once Potsdamer Platz, Berlin's commercial heart, so busy in the 1920s that it received the world's first traffic light. For the last 50 years, it has been empty, damaged by Allied bombs and finished off by the East Germans, who rammed the Berlin Wall through its center and tore down what remained of the surrounding blocks.

This is all about to change: Ground has already been broken for a vast office and retail complex sponsored by Daimler-Benz, and Sony plans to build its European headquarters here. Today, though, five years after the wall fell, most of Potsdamer Platz is still a windswept, dreary wasteland, laughing in the face of Berlin's much-vaunted intentions to reclaim the glories of its past.

For all that has happened since 1989, Berlin is a profoundly wounded city, and its wounds still show.

Yes, Potsdamer Platz is full of construction signs with pictures of sleek new buildings by renowned architects, but these buildings will be a long time in coming and are only a small part of Berlin's broader, often rancorous, struggle to invent itself anew.

"You can't isolate a discussion of architecture from a discussion of the rest of Berlin," says Josef Kleihues, the most prominent architect in the city.

He is right. The sheer volume of new construction — some 35 major projects are under way — has made Berlin the biggest magnet for the world's architects since Tokyo in the 1980s.

Architecture has become a subject that often serves as a touchstone for the larger question of what Berlin should be. The future of the physical city is debated today with the passion that just a few years ago was reserved for politics.

For most of this century, Berlin has held a strange and powerful allure for the rest of the world. Enlivened to the point of decadence by the arts in the 1920s, battered and nearly destroyed by dictatorship and war in the 1930s and 1940s, and thrust painfully into the role of Cold-War icon for most of the time since, the city looks from afar like some kind of forbidden fruit, a garden of dazzling creativity, utter evil and constant redemption.

The Berliner's view of the world is ironic, occasionally bitter, often funny and inevitably more sophisticated than that of the average German. Berlin is filled with anxious energy and with people who grew up in the provinces and yearned for a more cosmopolitan life.

In the ecstasy that followed the opening of the wall in 1989 and the reunification of Germany a year later, it looked like nothing could stop the juggernaut. Berlin seemed, for a brief moment, to be the most important city in the world and the one where things changed faster than in any other. It seemed poised to become the focal point of a reshaped Europe, the city where the post-Cold War world would find itself.

But after five years, it has not quite happened. The new Berlin is still far from being realized. The city has lost jobs since the wall came down. With the sputtering economy, real-estate developers have few tenants for their fancy new buildings.

The cultural picture is murkier than when the wall ignited a creative spark of radicalism. And the return of the German government to Berlin from Bonn has been delayed repeatedly and is now not likely to be complete until the year 2000.

It has all put Berlin in the grip of something — not quite depression but more than ennui. The "Berliner luft," its special air, seems not to be as crisp as it once was.

The former West Berlin, which looked for years like a sort of generic European city, energized by serving as a vitrine for Western prosperity within the Eastern bloc, is now just the richer, more bourgeois side of town. The former East Berlin, meanwhile, struggles with a pace of change considerably slower than anyone had expected.

"How to describe the present emotions in Berlin?" muses Ulrich Roloff-Momin, the city's senator for culture. "After the euphoria of 1989, we are now in the desert. We have to march through to the other end — but the wall in the mind is higher than the real wall was."

Officially, Humpty-Dumpty has put himself back together just fine.

Virtually all traces of the wall are gone, except for a few — too few — short segments that have been retained as unofficial monuments. The U-Bahn and the S-Bahn, the subway and elevated trains that for 40 years had to stop and reverse course in midcity, now travel their full routes. The city governments of East and West have merged. The phone system is one. Taxis go everywhere. In reality, Berlin will be rebuilding itself for the next decade.

Berlin sprawls. It is six times the size of Paris in area and with its 3.5 million inhabitants spread over 339 square miles, it is one of the least dense great cities of the world. It has never been a city of tall buildings, and until 1969, when the East Germans completed a 1,200-foot-high television and observation tower in the city center, there was little else on the skyline big enough to be noticed.

Unlike every other great metropolis in the world, its future form is uncertain. London is London, Rome is Rome, Tokyo is Tokyo, but Berlin is a question mark.

"So, you want to see the model now?" asks Hans Stimmann, the stocky, white-haired bureaucrat who serves as the city's building director and is, by common agreement, the most powerful figure shaping the physical future of Berlin.

"The model" is an extraordinary object, bigger than most living rooms, showing every building in Berlin's center and every new one that has been proposed. It is a deft piece of high tech: Push a button corresponding to a new project and a rendering appears on a hanging screen while a computer-driven spotlight whirs around to focus on its three-dimensional miniature.

This is city planning with the spectacle of a theme park and it is dazzling.

For Mr. Stimmann, the model also serves an important polemical purpose, since he is the chief advocate of the view that Berlin should develop itself along traditional lines.

He feels that every sensible notion about building cities is already known and he refers often to "the European way of making cities," by which he means the presence of low, boxy buildings set tightly together along streets and squares.

If architects would only follow these simple rules, he believes, all would be well.

"Berlin was totally destroyed by the bombs and after the war it was totally destroyed by the planners," Mr. Stimmann says. "Berlin is the only city in the world where the inner city is empty. We must bring this city back so that when we look in the mirror, we will know that it is our face. If we look like Hong Kong or Tokyo, nobody will come. Berlin must look like Berlin."

But what does making Berlin look like Berlin actually mean? Filling in the gaps left by the bombs and the wall with buildings that look like those that were demolished? Berlin never had a very consistent cityscape to start with.

Most of Berlin is low, to be sure, but there are great differences between the haute bourgeois neighborhood of Charlottenburg, the faded working-class district of Prenzlauerberg and the grand classical boulevard of Unter den Linden in East Berlin's civic heart.

Berlin has always been a city hospitable to the avant-garde and never more so than in its great heyday of the 1920s, when in Weimar Berlin, far more than anywhere else in Europe, modernism in art, theater, music and architecture grew alongside traditional high culture.

What is troubling about the city's present architectural picture is the sense that in post-wall Berlin, the very openness to new ideas and new forms that for so long defined the city's culture is threatened by a desire to make Berlin too comfortable, too smooth, too easy.

"Utopian visions are a bad thing in this city right now," says Kristin Freireiss, an art dealer whose Aedes Gallery, which specializes in architectural drawings, has come to function as a forum for the international architectural avant-garde in Berlin.

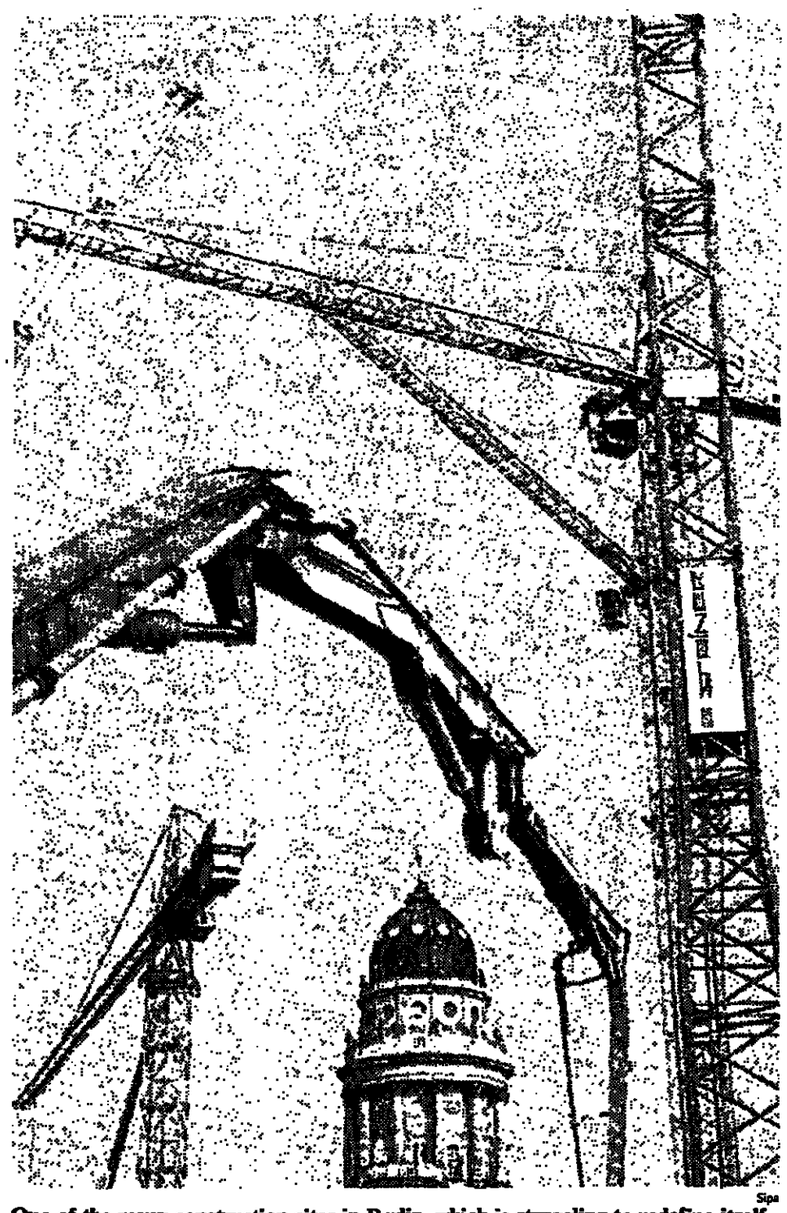
She is an outspoken supporter of Daniel Libeskind, the architect of Berlin's sharp, angular new Jewish Museum; Frank Gehry, the California architect; and virtually every other architect whom Mr. Stimmann dislikes.

"What Stimmann wants is to go back into the last century," she says. "He thinks that all those rules are still accurate. He is saying he wants stone, he wants brick, the windows should be this size and that, and it gives no chance for the architect. Young architects are excluded here and they don't dare speak up about it, his power is such."

It is too soon to tell how much of Berlin's new architecture will be of world importance.

As the city struggles to define iiself as a cultural and political capital for the reunited Germany, it faces a troubling paradox: the more successful it becomes at creating an ordinary, satisfying good life for its citizens, the less it will show its wounds.

If Berlin dwells too much in the past, if it allows its history to be too visible, it cannot become the new city it yearns to become. But if it becomes only a new city, it will not be Berlin.



Sipa

One of the many construction sites in Berlin, which is struggling to redefine itself.

Outlook in Bosnia Taking Grim Turn, Policy Experts Say

By Joseph Fitchett
International Herald Tribune

MUNICH — Sounding more pessimistic than ever about the outlook in Bosnia, U.S. and European policymakers publicly aired their misgivings about Western policy this weekend and outlined scenarios liable to lead to a wider war this summer in the former Yugoslavia.

Their fears threw cold water on hopes nurtured by recent improvements in the general situation in Bosnia.

"I'm afraid we'll face a new, bloodier phase of war in spring," the Dutch defense minister, J. J. C. Voorhoeve, told a seminar of Western officials at the annual Wehrkunde conference on security policy.

Mr. Voorhoeve has been instrumental in a European effort, now near success, to get more and better-armed United Nations peacekeepers into Bosnia.

Before they can get there, however, the whole UN force may have to pull out because of mounting political threats. The peacekeepers, mainly from European countries, may have to be withdrawn if the U.S. Congress enacts its threat to lift the arms embargo this spring.

Trying to find another option for helping the Bosnians, Senator Sam Nunn, Democrat of Georgia and chairman of the Armed Services Committee, unveiled a proposal for curbing Serbian firepower instead of letting more weapons reach the Bosnians.

"If our European friends won't agree to build up a level playing field, let's try building down," he said. He explained that NATO airpower could be used to eliminate the tanks, artillery and other heavy weapons in Bosnia that give Serbian forces their advantage.

"You would gradually expand the exclusion zone around Sarajevo until it covered the whole country by telling them any tank or artillery piece was liable to instant destruction," Mr. Nunn said.

The proposal, under review by the Clinton administration, would include selective arms deliveries — of anti-tank weapons, for example — to Bosnian government forces in any locality where Serbian arms were too well hidden among civilians to be eliminated by air attack.

European governments remain opposed to any U.S. initiative that liable to trigger a Balkan arms race, but their hopes of containing the conflict may be swept away even sooner.

As a result, the European allies would now probably "acquiesce" in a U.S. move to end the arms embargo, according to a policymaker whose government has a large contingent in Bosnia.

That stance does not imply cooperation or agreement, but it conveys a new nuance: that a unilateral U.S. move would no longer be viewed as a step that shattered NATO unity.

Of course, the official said, "much would depend on what the Americans did about it — whether it was lift-and-leave or lift with some serious work about how to contain the chaos."

But those comments pointed to a growing mood in Europe that NATO — and U.S. involvement in European security — must not be jeopardized by Bosnia.

At the beginning of April, as winter weather gives way to better fighting conditions, the truce expires. It has held down killing in Bosnia since former President Jimmy Carter's visit before Christmas.

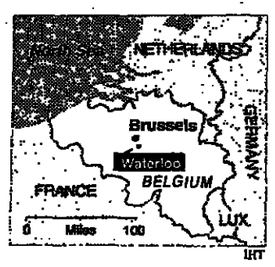
In retrospect, Mr. Carter's effort is viewed as a blow to hopes of a negotiated settlement. By raising hopes among hard-line Bosnian Serbs, it forced Western negotiators to return to an old idea of isolating this faction by promoting mutual recognition among the governments of Serbia, Croatia and Bosnia.

That idea has not worked any better this time than in the past, officials said.

If war does reignite, the risk is greater than ever that it could spill over into Macedonia, the Serbian region of Kosovo, Albania and perhaps even Greece and Turkey, officials warned.

TRAVEL UPDATE

Belgium to Fix Waterloo Landmark



WATERLOO, Belgium (AP) — The government will spend 25 million Belgian francs (almost 800,000) to shore up the Butte de Lion, the earthen mound that marks the Waterloo battlefield near Brussels, where Napoléon made his last stand in 1815. The mound is sagging because of recent heavy rains.

Long steel and concrete rods will be inserted into the mound and it will get a new grass cover in time for June 17-18 festivities marking the 180th anniversary of the battle, in which the French were defeated by the armies of a European coalition under the Duke of Wellington. The 45-meter (150-foot) mound is topped by the statue of a lion glaring fiercely in the direction of France.

A device that gives live traffic information across some 2,400 miles of Britain's road network will be available to motorists beginning March 21, according to Trafficmaster, the developers of the system. The Trafficmaster YQ unit, which uses a nationwide system of road sensors to warn motorists of traffic jams and other problems, will retail at £149 (about $235) and fit any car. A "smart card" costing £60 for six months is also needed to operate the system. Trafficmaster said the device differed from other systems being developed in that it can give live information on traffic conditions where motorists are heading. *(Reuters)*

USAfrica Airways, which began flying between Washington and South Africa in June, has suspended operations after failing to obtain new financing. The airline operated five flights a week to Johannesburg and one to Cape Town, with a refueling stop in Cape Verde. The airline has about 400 employees and leased its aircraft from American Airlines. *(AP)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: New Zealand.
TUESDAY: Grenada.
WEDNESDAY: Iraq, Slovenia.
THURSDAY: Lebanon.
FRIDAY: Liberia, Malta.
SATURDAY: Cameroon, Iran, Japan, Liberia, Vatican City.

Sources: J.P. Morgan, Reuters.

Ex-Aide Says CIA Helped Arm Iraq in '80s

By Dean Baquet
New York Times Service

A former official of the U.S. National Security Council has asserted that the CIA secretly helped a Chilean arms dealer sell sophisticated bombs to Iraq in the mid-1980s.

The sales took place while the Reagan administration was professing neutrality in the war between Iraq and Iran, according to a court affidavit by Howard Teicher, who worked for the National Security Council from 1982 to 1987 as an adviser on the Middle East.

Mr. Teicher's affidavit, filed last week, includes some of the most serious allegations to date on the question of whether U.S. intelligence aides played a direct role in Iraq's military buildup. It also may rekindle the debate over whether the Reagan and Bush administrations' efforts to provide military aid to Iraq inadvertently created the powerhouse that invaded Kuwait in 1990 and started the Gulf War.

Mr. Teicher's allegations of CIA involvement in the weapons deals were placed in the court record in a Miami conspiracy case against two executives of Teledyne Inc.

Teledyne, which is based in Los Angeles, has pleaded guilty to conspiracy charges that grew out of allegations that it violated federal export laws by shipping 130 tons of the metal zirconium to Chile, where it was used to help make the bombs.

The Chilean, Carlos Cardoen, a wealthy businessman who has been charged in the case, is one of the world's most visible independent arms dealers.

Mr. Cardoen has acknowledged selling arms to Iraq, but maintains that he cannot be charged in a U.S. court because the United States secretly approved the sales. Prosecutors, however, say there is no evidence to support this claim.

Mr. Teicher's affidavit describes the series of events leading up to the Reagan administration's decision to help Iraq, a policy intended to counter Iran.

Mr. Teicher said that he attended meetings in which William Casey, the CIA director at the time, and his deputy, Robert Gates, decided that Iraq needed cluster bombs, which release dozens of smaller bombs over a large area.

By Mr. Teicher's account, Mr. Casey was "adamant that cluster bombs were a perfect 'force multiplier' that would allow the Iraqis to defend against the 'human waves' of Iranian attackers."

Mr. Teicher said that he took notes of those meetings and that he believes they show the CIA "authorized, approved and assisted" Mr. Cardoen's efforts. He added that his notes, as well as other documents supporting his allegations, had been sealed in the archives of Mr. Reagan's presidential library.

First Big One Snows Under U.S. Northeast

Compiled by Our Staff From Dispatches

NEW YORK — After six weeks of relatively mild winter, the first big snowstorm of the season roared across the Northeast over the weekend, disrupting services and transport along the Atlantic seaboard from Virginia to Massachusetts.

Things slowly returned to normal Sunday after the storm — a comma-shaped Northeaster 300 miles (about 500 kilometers) across — barreled through the region Saturday. It affected air and rail transport, knocked out power, flooded low-lying areas and shut down all but emergency government services.

The heaviest snow fell in Princeton, New Jersey, where the National Weather Service reported 16 inches. Meteorologists at Pennsylvania State University said accumulations reached 9 inches in Philadelphia; 8 inches in Baltimore and Newark, New Jersey; 7 inches in Hartford, Connecticut; 6 inches in Albany, New York, and 4 inches in Boston.

Scores of flights and thousands of passengers were delayed Saturday at Kennedy, La Guardia and Newark airports in the New York metropolitan area. Many of those traveling were vacationers bound for the sun. Airports in Washington, Baltimore, Philadelphia and Boston also reported extensive delays. Intercity trains and buses continued to operate with minor delays. *(NYT, AP)*

In Spain, Worst Drought of Century

Agence France-Presse

CADIZ, Spain — Other parts of Europe are sinking under floodwaters, but the earth here in Andalusia is dry and cracked, and shepherds watching their flocks nibble the sparse grass cannot remember a worse drought this century.

From Málaga to Seville, from Grenada to Cádiz, thousands of Andalusians join processions to implore the intervention of the saints to make the rains come.

Water reserves in the Guadalquivir region are on average at a mere 9 percent of capacity. The drought has spread since the early 1990s and more than 2 million people are directly affected.

The 800,000 residents of Cádiz and the 14 townships surrounding it face water rationing every night from 11 to 7 A.M.

"The situation is serious. It is the worst dry year this century," regional government officials said. They had 34 million hectoliters (884 million gallons) of water left but monthly consumption was running at 8 million.

The restrictions on water supplies have been in force in the Cádiz area since February 1992. The authorities are busy sinking a dozen wells, but if the water tables prove to be too low and there is no rainfall very soon, water will have to be brought in by boat.

Making matters worse, demand for water has risen substantially.

Dutch Evacuees Go Home As Water Levels Recede

Reuters

AMSTERDAM — Most Dutch flood evacuees returned to their homes Sunday after the authorities declared the majority of dikes around the downstream Meuse and Waal rivers safe.

Swollen rivers had forced about 250,000 people to evacuate last week in the country's worst natural disaster in 40 years. But the swiftly receding water levels had already allowed around 65,000 people to go back home at the weekend.

Officials said water levels on the Rhine, Meuse and Waal rivers were now falling at a rate of 60 centimeters (24 inches) a day and had dropped 2 meters since they peaked Wednesday.

But a dike inspector said the Waal River dikes around Gorinchem had been ripped apart because of intense pressure of the swollen rivers and the sudden drop in water levels.

"The water pressure in that dike is still very high, and it will take a few days before it is as safe as it was before the floods," he said on national radio.

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THE AMERICAS

'Nightmare' Week for Simpson Dream Team

By David Margolick
New York Times Service

LOS ANGELES — Much was made when Robert L. Shapiro, a lawyer often faulted for being better at schmoozing than at litigating, yielded control of O.J. Simpson's defense to Johnnie L. Cochran Jr.

Mr. Shapiro called Mr. Cochran an experienced trial lawyer, "the best man on the planet" to defend the former football star

NEWS ANALYSIS

on charges of murdering his former wife Nicole Brown Simpson and her friend Ronald L. Goldman last June 12.

But if anything, many lawyers watching the case believe, Mr. Simpson's trial defense has sputtered since Mr. Shapiro literally moved aside and Mr. Cochran took over the Simpson "dream team."

The first full week of the trial was a bad beginning for Mr. Simpson's defenders.

Mr. Cochran seemed oddly flat in his opening statement. Worse, he packed it with names and statements he had improperly withheld from prosecutors, leading Judge Lance A. Ito to excoriate the defense's tactics.

To punish the defense lawyers, Judge Ito gave Marcia Clark, the chief prosecutor, another crack at the jury by adding 10 minutes to her opening statement. She used that historic luxury — no judge in California had offered it before — to pick apart one of Mr. Simpson's crucial alibi witnesses.

On Wednesday, Mr. Cochran removed himself from cross-examining Ronald G. Shipp — a former policeman who was friendly with Mr. Simpson and his former wife — because Mr. Shipp and Mr. Cochran are distant cousins.

But the trial lawyer to whom he gave the assignment, Carl Douglas, took an unusually aggressive tack that elicited far more testimony harmful to Mr. Simpson's case than the prosecutors themselves did.

For example, it was only on cross-examination that Mr. Shipp suggested most strongly that he believed Mr. Simpson was guilty.

Mr. Douglas, a junior partner in Mr. Cochran's law firm, eventually toned down his technique.

But with the cross-examination of Denise Brown, Mrs. Simpson's sister, due perhaps on Monday, the defense will soon be tested anew. Denting her testimony without generating sympathy for her will be tricky.

That task, oddly enough, will apparently fall to Mr. Shapiro.

"So far, it has not been a dream, but a nightmare," Alvin Michaelson, a defense lawyer in Los Angeles, said of the reconfigured legal team.

"The glitches in the opening statement, the failure to produce certain stuff, the sanctions that were imposed — that's not the kind of start you'd expect from lawyers who are supposed to be quality, 'Dream Team' kinds of players," he said.

To the Simpson case's vast viewing public, the most chewed-over topic of the week was what Mr. Simpson purportedly told Mr. Shipp a few hours after the bodies of Mrs. Simpson and Mr. Goldman were found: that he had dreamed of killing his former wife.

But to the sequestered jury, whatever Mr. Simpson dreamed was probably just a blip in the proceedings, and all the legal wrangling just an opportunity to return to the jury room.

Mr. Simpson's lawyers seem to think that, by challenging everything, they can prove that everyone who denigrates Mr. Simpson is a liar. That strategy can sometimes backfire.

By the time Mr. Shipp stepped down Thursday, Mr. Simpson's character and credibility seemed to have unraveled a bit — but it was one of his own attorneys who had pulled the string.

But in his efforts to discredit Mr. Shipp, Mr. Douglas prompted from him a number of seemingly spontaneous, impassioned, and — from the defense's standpoint — harmful utterances.

Mr. Douglas helped Mr. Shipp clarify, as the prosecution had not, what had kept him from telling either police or defense lawyers of his June 13 conversation with Mr. Simpson: Mr. Shipp had reluctantly concluded, based on Mr. Simpson's demeanor 24 hours after the killings, that he was a murderer, but Mr. Shipp did not want to say so.

"I didn't want to be going down as being the person to nail O.J.," Mr. Shipp testified.

Simply by keeping him on the stand, Mr. Douglas gave the prosecutors another chance to tell the jury how strangely Mr. Simpson behaved during Mr. Shipp's visit to his home on June 13: Nicole Simpson had just been stabbed to death, and what Mr. Simpson was worrying about most was how long it would take to get the results of DNA testing on blood found at the crime scene.

Whatever grieving Mr. Simpson was doing on June 13, Mr. Shipp said, did not appear to him to be for his late wife.

Reed Saxon, Agence France-Presse

Johnnie L. Cochran Jr. and his client, O.J. Simpson, listening to testimony in court.

Dole Enters Republican Race for Presidency

By Paul F. Horvitz
International Herald Tribune

WASHINGTON — Senator Bob Dole confirmed Sunday that he had decided to run for president in 1996 and would formally declare his candidacy in mid-April.

The decision by the 71-year-old Kansas Republican was not a surprise, but he had not previously made an unambiguous declaration.

A fierce battle is already under way for the support of wealthy Republicans and other potential financial contributors. Mr. Dole may have acted now to keep donors from making commitments to others.

Mr. Dole, the Senate majority leader, will have a fight for the party's nomination in state primary elections. The field is likely to include several senators, governors and the former vice president, Dan Quayle.

"We'll make a formal announcement that we are a candidate for president of the United States" in mid-April, Mr. Dole said on the weekly "Meet the Press" television program.

The timing, he said, was in part because 50 years ago, on April 14, 1945, Mr. Dole was severely wounded in Italy while serving with the U.S. Army's 10th Mountain Division.

Mr. Dole said he had learned from mistakes he had made as a candidate for vice president in 1976 and while seeking the nomination for president in 1980 and 1988.

"I am at peace with myself," he said. "I know what I want to do."

The senator said his assets were his experience, "a good record of conservative views on taxes and spending," and a willingness to broaden his party's views to attract as many adherents as possible.

Mr. Dole said he was considering declaring that he would serve only one four-year term and that he might choose a running mate before nomination.

Among those he said would be desirable on such an early ticket would be Jack F. Kemp, the former housing secretary, who announced last week that he would not be a candidate, and General Colin L. Powell, the former chairman of the Joint Chiefs of Staff.

■ **Snag on Surgeon General**

Senator Dole said Sunday that President Bill Clinton's nomination of Henry W. Foster Jr. to the post of surgeon general was "in some difficulty" as it awaits confirmation by the Senate, The Associated Press reported.

Dr. Foster, a gynecologist, revealed last week that he had performed "fewer than a dozen" abortions. Mr. Dole said Sunday that he was troubled by the way the White House had handled the matter. Republican leaders had previously been told that Dr. Foster had performed only one abortion in 30 years of practice.

POLITICAL NOTES

Streisand Takes Stand for Liberalism

CAMBRIDGE, Massachusetts — Barbra Streisand, director, producer, actress, singer, screenwriter, philanthropist and citizen, came to Harvard to bury the speaker, praise the president and defend the right of Hollywood celebrities to speak out on politics.

Rebutting those who criticized the stars circling President Bill Clinton as "bubbleheads" who should not meddle in serious matters of state, Ms. Streisand on Friday gave an address to a crowd of 700 at the John F. Kennedy School of Government.

"I'm not suggesting that actors run the country," Ms. Streisand said. "We've already tried that. But I am suggesting, for example, that on the issue of AIDS, I would rather have America listen to Elizabeth Taylor, who had the courage to sponsor the first major fund-raiser against this dreaded disease, than to Jesse Helms, who has consistently fought legislation that would fund AIDS research."

Her speech was the latest example of an odd vogue in politics. In an era of populism, when politicians are hungering for the common touch, everybody also wants to be an egghead. The House speaker, Newt Gingrich, Republican of Georgia, has his reading lists and college course on American civilization. Mr. Clinton invited a bunch of "big thinkers" from the Ivy League to Camp David before the State of the Union message to hear his views on governance.

And now Ms. Streisand comes to Harvard for a two-day visit, during which she and invited students attended a lunch with John F. Kennedy Jr. as host, and audited a class on constitutional law.

Sounding much like the impassioned student activist she played in the movie "The Way We Were," Ms. Streisand stepped forward as one of the few Democrats — besides the former governor of New York, Mario M. Cuomo — with the gumption to defend liberalism and counterculture McGovernik.

"I did a concert for George McGovern in 1972, and I still think that he would have made a better president than Richard Nixon," she said. *(Maureen Dowd, NYT)*

Mrs. Gingrich Works for Israeli Firm

BALTIMORE — The wife of the House speaker is working for a Jerusalem-based company that recruits foreign businesses to locate in an Israeli free-trade zone, The Baltimore Sun says.

Since September, Marianne Gingrich, 43, has been working as a vice president for the Israel Export Development Co. Ltd., a two-year-old company chartered in the British Virgin Islands to attract businesses to a private, high-tech business park in Israel, The Sun said.

The newspaper quoted the company's chairman as saying he had hired Mrs. Gingrich because of her interest in free-market concepts and her past work as an urban planner, not because she was the wife of the top Republican in the House.

"We were looking for someone with her kind of experience and her excitement," David Yerushalmi, chairman and chief executive of the company, told the newspaper. "She has a lot of experience in urban development and urban design and also in managing information."

Mrs. Gingrich has worked off and on in her husband's reelection campaigns and related political ventures. In 1981, she was employed briefly in the personnel office of the Secret Service in Washington, and before that she worked as a county government planner in eastern Ohio.

Mr. Gingrich's spokesman, Tony Blankley, said there was no conflict between the speaker's position and his wife's job. "She's not lobbying the government, and the compensation is nominal," Mr. Blankley said. "She has a background in urban planning. This is a totally private company trying to find business clients to set up business in a free-trade zone." *(AP)*

Balanced Budget Amendment Ailing

WASHINGTON — Key Senate Republicans say that support for a constitutional amendment to balance the budget was eroding among Democrats and conceded that it probably had no better than a 50-50 chance of passage.

Senator Bob Packwood, Republican of Oregon, chairman of the Finance Committee, told an audience: "Unfortunately, I don't think we are going to succeed. I think the Democrats are going to succeed in killing it in the Senate."

Only a week after the House overwhelmingly approved the amendment, the Republicans' leading campaign promise, the measure has encountered formidable resistance from Senate Democrats and outside groups that have linked it to the politically volatile issue of Social Security retirement and disability benefits.

Democrats also have put Republicans on the defensive by repeatedly challenging them to spell out in detail the more than $1.3 trillion of spending cuts that would be required to balance the budget by the amendment's target year, 2002. *(WP)*

Quote/ Unquote

The Health and Human Services Department spokeswoman, Avis LaVelle, on the disclosure that Mr. Clinton's nominee for surgeon general had performed abortions: "There obviously was some misinformation conveyed, but there was no deliberate attempt to mislead." *(NYT)*

Away From Politics

● **President Bill Clinton has ordered 62 border patrol** agents to Arizona to combat an increase in illegal border crossings that the White House attributed partly to the peso's collapse. *(AP)*

● **A Washington state man was pinned** beneath a pile of wood and snow for 28 hours before his barking dog alerted the man's father to where he was. *(AP)*

● **Crew members on the space shuttle Discovery** have repaired one of two leaking thrusters and considerably reduced the leak from the other, improving chances of the spacecraft's being able to rendezvous with a Russian space station, the National Aeronautics and Space Administration said. *(AFP)*

● **A new Boeing 777 that made an emergency landing** on a test flight was the second to experience decompression because of a valve failure, company officials said. *(AP)*

● **A male nurse in Florida was sentenced to 17 years in prison** for raping seven women in a hospital recovery room while they were under anesthesia. *(AP)*

● **More than two dozen inmates and guards in Chicago** were injured when 230 inmates at the Cook County Jail staged a protest over crowded conditions, authorities said. The inmates slicked the floor with soap, stuffed socks with water bottles and used homemade knives in their battle against the guards. *(AP)*

● **A 5-year-old Maryland boy was taken into police custody** after he took a loaded, semi-automatic handgun to his elementary school and showed it off to his classmates, the police said. *(Reuters)*

Republican Chiefs vs. the Talkative Speaker

By Kevin Merida
Washington Post Service

WASHINGTON — When the speaker of the House, Newt Gingrich, first weighed in on the District of Columbia's fiscal crisis last week, he spoke warmly of saving the city's children and praised Mayor Marion S. Barry's stewardship. He also suggested that a bipartisan solution to the city's woes could be found by sitting down in a room with district officials.

But down in the trenches, Representative James T. Walsh, chairman of the subcommittee that oversees the district's spending, was belting out a tougher tune. The New York Republican blasted the Barry administration, saying he had lost confidence in the city's ability to manage its finances. He also cast doubt on the future of home rule for the nation's capital.

The contrast in tone and message was striking, but it was not the first time Mr. Gingrich stepped out in front of one of his lieutenants who had particular expertise on a subject. In recent weeks, Mr. Gingrich increasingly has come into conflict with his committee and subcommittee chairmen on the direction of policy.

From welfare reform to the budget, and from education to the minimum wage, the speaker has made statements that have not jibed with the policy pronouncements of other Republican leaders in the House.

"It's a natural process," said a spokesman for Mr. Gingrich, Tony Blankley. "Committee members are properly focused on the responsibility of their committees, and the speaker is sometimes seeing issues in a broader context."

Ronald M. Peters, director of the University of Oklahoma's Carl Albert Congressional Studies Center and an expert on the speakership, said that unlike any speaker since the Democrat Henry Clay in the early 1800s, Mr. Gingrich is using his office "as a platform for enunciating ideas." The result, he said, is that "he is affecting the national dialogue like none of these speakers before him."

Yet in his zeal to articulate a vision for his party, Mr. Gingrich sometimes speaks without first learning the details from his committee chairmen. The House Budget Committee chairman, John R. Kasich, was put in the embarrassing position of having to contradict the speaker at a news conference after Mr. Gingrich pledged that the Republicans would produce a seven-year plan for how to balance the budget by 2002.

Regarding the district's financial problems, Mr. Gingrich said he would recommend that Congress hire a top accounting firm to make an audit so congressional leaders could "know exactly how bad the mess is."

But the district already is audited once a year. And Congress requires the city to file quarterly financial reports, which are analyzed by the General Accounting Office.

Mr. Walsh said he already had enough information to make judgments.

Asked to explain the distinctions between his pessimistic outlook for the district and Mr. Gingrich's upbeat observations, Mr. Walsh said: "I'm convinced this is a very serious problem." He pointed to the fact that the speaker is "getting the 'Contract With America' through the House" and that he has "a lot on his plate."

Mr. Walsh and Representative Thomas M. Davis 3d, a Virginia Republican who is chairman of another District of Columbia oversight panel, met with Mr. Gingrich later to brief him on the district's problems and try to agree on a course of action.

Representative E. Clay Shaw Jr., a Florida Republican who is chairman of a subcommittee that is taking the lead on welfare reform, also was blindsided recently by one of Mr. Gingrich's scattershot declarations.

When the speaker indicated last month that Republicans would drop a plan to deny benefits to legal immigrants who have not become citizens, Mr. Shaw saw it on television. He and Mr. Gingrich did not discuss it for three days.

"That one was not cleared with me," Mr. Shaw said. Although he was sympathetic to the speaker's desire that Republicans not appear to be anti-immigrant, he said, there remained the "cold reality" of where the Republicans would find revenue to pay for their welfare reform proposal.

Some Gingrich allies have suggested that the speaker would have fewer problems if he talked less.

"He might think of not speaking every thought," said the Senate majority whip, Trent Lott of Mississippi. "He's learning he's got to be careful about what he says. He's made some mistakes, he's working on it and he's getting better."

AMERICAN TOPICS

The Healing Power of Faith

Faith heals, at least to some extent, according to new findings on the health benefits of religious beliefs. In a study of 232 elderly patients who had undergone open heart surgery, those who were able to find strength and comfort in their religious outlook had a survival rate three times higher than those who found no balm in religious faith.

Likewise, those who had the strongest participation in social groups also had a threefold survival advantage, according to the study, published in the journal Psychosomatic Medicine.

"Having a strong faith and being embedded in a web of relationships like churchgoing have definite health benefits," said Dr. Lisa Berkman, an epidemiologist at the Yale University School of Medicine.

While the benefits of social support had been found in previous studies, this is the first to demonstrate such a strong health advantage from religious faith among seriously ill patients.

"It seems that being able to give meaning to a precarious, life-threatening situation — having faith there is some greater meaning or force at work — is medically helpful," said Dr. Thomas Oxman, a psychiatrist at Dartmouth Medical School, who led the study. "If you can't make sense of what's going on, it's much harder to bear."

Short Takes

The number of college-age drinkers has been declining for two decades. One in four students reported abstaining even from an occasional beer in 1971; today it is nearly half, according to a survey of more than 300,000 students nationwide by the University of California at Los Angeles. The average consumption for those who do drink regularly has dropped to about 13 drinks a week, down from 14.3 in 1982. The main reason for the decrease is a change in attitudes. Today's students are more health-conscious than their elders, and they have grown up with the tougher drunken driving laws and 21-year-old legal drinking ages enacted in the late 1970s and early 1980s.

Parents should not put sleeping babies on top of fluffy bedding, according to the U.S. Consumer Product Safety Commission. It said such bedding may contribute to as many as 1,800 inexplicable infant deaths a year. Researchers say it is likely that fluffy bedding blocks children's mouths and noses and that they die from carbon dioxide poisoning from breathing the trapped air they have exhaled. The commission said sleeping infants should lie on their backs or sides — not on their stomachs — on firm, flat surfaces.

International Herald Tribune.

Opposition Victory in Local Race Shakes Japan Coalition

By Steven Brull
International Herald Tribune

TOKYO — In a blow to Japan's governing coalition, the nation's newly formed opposition party won convincingly Sunday in a governor's race, the first direct contest between the two parties that are expected to compete in general elections later this year.

The victory by the legislator Morio Kimura, 57, over the four-term governor, Masaya Kitamura, 78, came as a surprise since Aomori Prefecture, 750 kilometers (465 miles) northeast of Tokyo, is a traditional stronghold of the Liberal Democratic Party, which dominates the governing coalition.

The results reflected growing criticism of the government's response to the earthquake last month in Kobe, in which more than 5,000 died and more than 250,000 were left homeless.

They also suggest that despite its low level of national support, the New Frontier Party, formed in December by the nine main non-Communist opposition groups and led by former Prime Minister Toshiki Kaifu, may mount a more serious challenge than expected in the coming elections.

"We've established a stronghold in the local political world," Keisuke Nakanishi, a senior New Frontier member, said of the victory in Aomori. "It paves the way for further advances in the future."

Local elections are planned for April, and an upper house election is set for July. The next lower house election could come as soon as April, although most expect it to be later, most likely between October and December. Technically, Prime Minister Tomiichi Murayama, the Socialist who leads the coalition with the Liberal Democrats and the small party Sakigake, can wait until mid-1997.

The next general elections will be the first conducted under a new electoral system that will pit politicians from Japan's two main parties against one another in races in single-seat constituencies.

"The NFP's strategy is to win elections one by one," said Yasumori Sone, a professor of politics at Keio University. "Although their popularity is low, this election shows that with a strong candidate and well-coordinated campaign, they have a good chance."

In recent national polls, the New Frontier Party has garnered the support of about 9 percent of those surveyed, compared with nearly 25 percent for the Liberal Democrats.

In the Aomori race, Mr. Kimura benefited from campaign appearances by Mr. Kaifu as well as the former prime ministers Tsutomu Hata and Morihiro Hosokawa.

With 99 percent of the votes counted, Mr. Kimura won 323,928 votes compared with Mr. Kitamura's 297,761, NHK television reported Sunday night. Another 80,000 votes went to candidates from the Social Democratic Party and the Communist Party.

The biggest unknown is the fate of Mr. Murayama. Before the earthquake, the Socialist prime minister's party was on the verge of collapse as a group of 24 legislators were threatening to leave it.

But after the quake, the group froze plans to quit, afraid of destabilizing the government during an emergency.

In recent days, however, there has been growing criticism that poor leadership by Mr. Murayama contributed to the government's sluggish response to the disaster. There is speculation that he might resign once a program to reconstruct Kobe is outlined and the legislature approves a 1995 budget.

■ Japan Checks U.S. Apples

Japanese health officials are investigating why fungicide residue was found on apples imported from the United States, but said the amount was too small to be harmful to humans, The Associated Press reported from Tokyo.

The chemical thiabendazole is used by Japanese and American farmers while growing apples, but should be removed after the apples are harvested.

In a random sampling of apples purchased at shops in the Tokyo area, two apples imported from Washington were found to have trace amounts of the fungicide, health officials said Friday.

The amounts found on the apples would not have a harmful effect on humans, said Satoshi Takaya of the Food and Health division at the Health Ministry.

"This is not a safety issue by any means," said a U.S. Embassy spokesman, Bill Morgan. "It's a technical one. This fungicide is also commonly used by farmers in Japan."

American apples went on sale in Japan for the first time on Jan. 10.

Q &A: Unchecked AIDS Threatens Asia's Miracle

AIDS is on the rise in Asia. Mechai Viravaidya, a former cabinet minister in Thailand who heads the Bangkok-based Population and Community Development Association, discussed the epidemic with Michael Richardson of the International Herald Tribune.

Q. How serious is AIDS in Asia?

A. Recent scientific and medical surveys suggest that by the end of the decade one hundred million people worldwide may be infected with the HIV virus that causes AIDS. Most, around 60 million, will be in Asia, which will have overtaken Africa as the most seriously affected continent.

AIDS in Asia is like white ants eating away behind timber. The veneer still looks good but you cannot yet see the true extent of the damage.

Many countries are affected, from India, Nepal, Burma, southern China, Vietnam, Cambodia, Thailand, the Philippines and on through Southeast Asia to Indonesia. The disease is spreading more rapidly in Asia than many people think.

Q. Could this undermine the Asian economic miracle?

A. It will over time unless something positive is done to prevent the spread of the HIV virus.

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Q. What are the potential consequences of an unchecked epidemic?

A. According to the World Health Organization, about 50 percent of all those infected with HIV are aged between 15 and 24. That is an important segment of the work force for the future.

Industries that will be hit hardest are insurance and those with activities related to tourism. Unless Asian countries can bring down the rate of HIV infection, foreign tourists will stop coming.

Countries such as India, the Philippines and Thailand that send labor abroad will be also be hit

MONDAY Q&A

because their workers won't be accepted overseas anymore. Foreign exchange remittances will fall sharply.

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Q. How is AIDS being transmitted in Asia?

A. Mainly by the sex trade and intravenous drug use.

For example, an estimated 60,000 women from Nepal are working in brothels in India, mostly in Bombay. Around 65 percent of the girls in those brothels are HIV positive. Some of these Nepalese women are returning home and spreading the infection there. The same thing is happening between Vietnam and Cambodia.

Q. Aren't foreign tourists who come to Asia to enjoy the sex trade also to blame for the spread of AIDS in the region?

A. The days of blaming this epidemic on foreigners must be over. It was never the real issue. Asians should not blame anybody else for the problem but themselves.

What has been totally underestimated is the huge proportion of Asian men who use commercial sex, often unprotected.

Q. Are governments covering up the problem?

A. In nearly all Asian countries, the actual number of people carrying the AIDS virus has been underplayed. That spells disaster for the future. The less that is done, the faster the epidemic will spread. Almost everyone is shy of reality and still trying to hide the fact.

Q. What about Thailand?

A. We decided to become open about the problem at the beginning of 1991. Anand Panyarachun, the prime minister at the time, became chairman of the national AIDS committee. That provided political energy and leadership.

We had a budget of $50 million for public education. AIDS education became compulsory in the final two years of all primary schools in Thailand. Radio and TV stations had to provide half a minute of AIDS education every hour. There was also education in the workplace, the entertainment industry and business.

We realized that everyone stood to lose, economically as well as socially.

As a result, by the end of 1993 there was a 77 percent decline of sexually transmitted disease in Thailand and an accompanying decline in HIV cases. The proportion of men going to brothels and women going into commercial sex also fell.

The program showed that if you tackle the problem in the right way and promote the use of condoms for protection, it can make a difference.

Aquino Asks Critics of Her Daughter to Stop Attacks

The Associated Press

MANILA — In her first public reaction to a scandal over her daughter, former President Corazon C. Aquino has urged critics to stop condemning her daughter for becoming pregnant and running off with a married man nearly twice her age.

"I am here today to ask for your prayers and also to ask those who have condemned Kris to stop it," Mrs. Aquino said at a national convention of single parents. "It has pained me so much when I read about people condemning my daughter."

Kris Aquino, 23, the youngest of Mrs. Aquino's five children, left the family home in November after she became pregnant by the actor Philip Salvador, 45.

Miss Aquino is among the highest-paid television and movie stars in the Philippines.

Mr. Salvador has three children with his wife and another child with a former model. He is not yet legally separated from his wife, who lives in New York.

Mrs. Aquino, a Roman Catholic, said she had originally refused to talk about her daughter's relationship and pregnancy.

"I have not heard of a mother talking about this particular kind of problem publicly, but this is the price of fame or infamy," she added. "It just upsets me so much, and it really gives me so much pain, but now I think I can talk about it."

She said she did not force her daughter to leave home.

"I never sent her away. In fact, I've always told Kris, 'This is your home. You're welcome to stay as long as you want and this will always be your home. I am your mother. I will always be your mother. I love you and I will always love you, and I will always be here for you.' "

She added that she tried to dissuade her daughter from maintaining a relationship with Mr. Salvador, but was ignored.

Mrs. Aquino said she was still willing to accept her daughter and grandchild but not Mr. Salvador.

Pakistanis Strike to Back Insurgency in Kashmir

Agence France-Presse

ISLAMABAD, Pakistan — Business ground to a halt in major Pakistani cities and towns Sunday as the nation observed a general strike to express solidarity with the independence movement in the Indian-held state of Kashmir.

Shops, markets and business centers were closed, and public and private transport remained off all roads, according to reports.

Schools, colleges and universities and offices were also shut since the government had declared the day a holiday.

Port activity came to a standstill in Karachi, where all businesses and industrial units were closed. The strike also paralyzed nearby Rawalpindi and other areas as rival political parties cooperated with the strike.

The strike call was made by the government of Prime Minister Benazir Bhutto to condemn what she called Indian "atrocities" in the northern Himalayan state, where more than 10,000 people have been killed in the five-year insurgency.

In a televised address on the eve of the strike, Miss Bhutto said "the people of Kashmir desire to join Pakistan, and India is pursuing a policy of keeping them in shackles by bayonets."

But she emphasized that only the 1949 UN resolutions, which called for a referendum in Kashmir, could form the basis for a settlement.

India has accused Pakistan, which controls the northern third of the disputed region, of training and arming Kashmiri militants.

Pakistan denies the Indian allegations, but has pledged moral and political support for what it calls a "legitimate" freedom movement.

■ Raid on Kashmir Radicals

Gunmen killed at least 10 people and wounded 15 Sunday in an attack on a militant Kashmiri fund-raising center in Karachi, the police and hospital officials said, according to Reuters.

Sohail Nashir/Reuters

Kashmiri woman chanting anti-Indian slogans Sunday at a rally in Karachi, Pakistan.

BRIEFLY ASIA

Yonhap/Agence France-Presse

Mikhail and Raisa Gorbachev being greeted in Seoul.

Gorbachev Makes an Offer to Koreas

SEOUL (AP) — Mikhail S. Gorbachev, the former Soviet president, said Sunday that he was willing to mediate a summit meeting between South Korea and North Korea. The two countries had scheduled a meeting of their presidents last year, but it was canceled after the North Korean leader, Kim Il Sung, died on July 8.

Mr. Gorbachev made the offer as he arrived Sunday for a symposium marking the anniversary of the Korean chapter of Green Cross International, a nonprofit environmental organization he founded in 1993. A summit meeting would bring together President Kim Young Sam of South Korea and the North Korean leader Kim Jong Il, the late president's son.

Seoul officials have not abandoned hopes for a meeting, but have said Mr. Kim must become the official leader before the two sides resume talks on a meeting of the presidents. Mr. Kim has yet to officially assume the positions of state president and secretary-general of the ruling Communist Party.

Rao Expected to Expel Party Rival

NEW DELHI (Reuters) — The battle for power in India's ruling Congress (I) Party moves toward a climax this week with Prime Minister P.V. Narasimha Rao expected to expel his arch-rival Arjun Singh for anti-party activities.

The power struggle is being played out against a backdrop of sagging party electoral fortunes, with Congress facing a major challenge this week in state polls in its traditional stronghold of Maharashtra. "The politics of dissension and dissidence should be thrown away," Mr. Rao said Sunday in the western state of Maharashtra.

Mr. Singh, who resigned as human resources minister on Dec. 24, has accused Mr. Rao of ignoring the Muslims and lower castes that have traditionally supported the Congress Party. The former party number two has become a focus for dissent in Congress. But his support remains patchy, and he is unlikely to be able to block a decision to expel him by the party disciplinary committee.

New Rebel Group Threatens Kabul

KABUL (AP) — A new guerrilla faction that wants to establish a strict Islamic state said Sunday that it had fought its way to within 30 kilometers of Kabul.

A series of battlefield victories by the Taliban movement is complicating peace efforts. Ten Islamic groups have been fighting among themselves for three years, killing more than 20,000 people and destroying much of Kabul. The Islamic factions turned on each other after driving out the Soviet Army in 1989.

Taiwan Receives 4 U.S. Minesweepers

TAIPEI (AP) — Taiwan's navy has acquired four former U.S. minesweepers, a newspaper reported.

The minesweepers, which entered service in the U.S. Navy between 1954 and 1956, have been modernized with mine-detecting and other electronic systems, the China Times Express said.

Navy officials were not available for comment.

VOICES From Asia

Mike Morizumi, an over-the-counter stock analyst at Baring Securities, on the efforts of the Japanese securities business to sell "quake plays" to investors after the Kobe quake: "It's a sorry statement on the whole industry that business goes on despite the 5,000 dead." *(Bloomberg)*

Mikhail S. Gorbachev, the former Soviet president, as he offered to arrange an inter-Korean summit meeting: "Now is the time for South and North Korea to have summit talks. The most important thing in solving the South-North problem will be understanding each other." *(AFP)*

Yang Shih-chen, Taiwan's deputy economics minister, on the trade dispute between China and the United States: "I think the two sides should be able to reach a compromise over their disputes before the Feb. 26 deadline." *(AFP)*

هكذا من الاصل

EUROPE

Socialists In France Pick Jospin For Ticket

By Barry James
International Herald Tribune

PARIS — France's Socialist Party closed ranks behind a moderate leader on Sunday and set off on what political commentators described as an impossible quest for the presidency less than three months from now.

In a primary election, the party selected a former education minister, Lionel Jospin, 57, as its candidate to succeed François Mitterrand in a special congress here.

The Socialists have fallen into a prostrate state of squabbling between renovators, of which Mr. Jospin is one, and old-style Socialist militants represented by the party's first secretary, Henri Emmanuelli, 49, who lost the nomination.

Mr. Jospin faces the daunting task of attacking the strong lead of the rightist candidate, Prime Minister Edouard Balladur.

"I am absolutely convinced that my entry into the race as the Socialist candidate will alter the political landscape and perhaps even shatter it," Mr. Jospin said.

Although the Socialist Party membership elected him with nearly 66 percent of the vote, Mr. Jospin is the preferred candidate of only 5 percent of French voters — and 3 percent of voters under 30 — according to an opinion poll published Sunday in Le Journal du Dimanche. Mr. Balladur was the front-runner with 22 percent.

The poll also revealed massive indecision and disillusionment with politicians in general. It indicated that 69 percent of voters had not made up their minds and that 63 percent of young voters were unhappy with Mr. Balladur's record.

The Socialists were left without a strong candidate or clear direction when Jacques Delors, the former president of the European Commission, said in December that he would not run, citing the impossibility of achieving his aims with a conservative government in place.

Mr. Delors's decision plunged the Socialist Party into fratricidal warfare along its traditional fault lines. The party combines a long radical tradition with a more moderate social democratic tendency represented by Mr. Jospin.

Unless a candidate receives more than half the vote in the first round of voting on April 23, the presidency will be decided in a run-off on May 7. Most political commentators said that judging from polls, Mr. Jospin would be eliminated in the first round along with Communist, extreme right, environmentalist and other candidates.

The conventional wisdom is that Mr. Balladur will enter the second round opposed only by his former ally in the center-right, Jacques Chirac, the Gaullist mayor of Paris. Mr. Balladur and Mr. Chirac have effectively been campaigning for months in a battle that appears to point increasingly to Mr. Chirac's political isolation.

But the large number of undecided voters could upset all forecasts. The race could be complicated by the entry of a formidable centrist candidate, either former President Valéry Giscard d'Estaing or former Prime Minister Raymond Barre.

Mr. Emmanuelli, who was elected to his present post by 85 percent of the party membership in June, will remain as first secretary, and he pledged to support Mr. Jospin.

Mr. Mitterrand, who is stepping down after 14 years in office, has been unable to repair the rifts in the party, and he has often appeared intent on widening them. Last year, for example, he undermined the moderate former Prime Minister Michel Rocard by supporting the maverick Bernard Tapie in the elections for the European Parliament. The Socialists received one of their worst drubbings as a result.

Stefan Rousseau/Agence France-Presse

QUICKLY, PLEASE — A policeman escorting a passerby from a robbery scene Sunday in London. An armed man disguised as a policeman overpowered security guards at Garrard's jewelers on Regent Street and, with two accomplices, stole $400,000 in jewelry. Police sealed off the area for five hours before learning the thieves had fled.

In Trouble, Major Talks Tough on Europe

By John Darnton
New York Times Service

LONDON — Four years ago, when the drive for closer integration of European countries seemed to be moving ahead inexorably, Prime Minister John Major signaled his desire to join in by proclaiming that Britain belongs "at the heart of Europe."

Now, it is not at all certain that the drive is still gaining, and as for Mr. Major, one thing is clear: Britain's heart does not belong to Europe.

Faced with a rebellion of Conservative Party backbenchers who believe that the European Union is taking too much power, and looking for a strong issue to beat back the popular opposition Labor Party, Mr. Major has been busy staking out a tougher stance on Europe.

It is becoming obvious that he has taken many of the top figures in government with him.

Newspaper reports of the speeches and comments at a cabinet meeting to thrash out policies toward Europe made it seem as if the EU, not inflation or crime or racism, was the kingdom's main enemy.

Britain's role in the 15-nation EU is one of the main question marks hanging over the country's future. While the Labor Party is still committed to closer integration, the Conservatives are backing away from the political and monetary union envisioned in the Maastricht treaty negotiated in 1991.

On Friday night, speaking to a group called the Conservative Way Forward, Mr. Major adopted a tougher line on the central issue facing the EU, the question of a single currency. He insisted that economic conditions in Europe were not yet ripe for such a dramatic step and that it "would tear the European Union apart."

Waving a stick at the high tide of European federalism

In an address laced with condemnations of a "centralist Europe," Mr. Major insisted that the pound would not join a single currency by 1997. He added that Britain would soon propose additional criteria to be required to make the common currency a reality.

The Maastricht treaty calls for a convergence in such areas as debt level and inflation rates. If Britain were to insist on common standards in additional areas such as the unemployment rate, that would in effect make a single currency impossible, most economists believe.

In a recent interview with David Frost on the BBC, he spelled out the implications of his position for Britain's negotiating posture at an Inter-Government Conference of the European Union in 1996, which will map the Union's future.

He indicated that Britain would use its veto to block efforts to change the EU Constitution to remove the veto, to amend voting procedures to make it more difficult for a minority to block legislation, to extend "massive" new powers to the European Parliament or to mandate a commitment to a single currency.

Because some nations, notably Germany and France, are expected to try to use the conference to further integration, this will probably put Britain at odds with its major partners.

Britain has already gone head to head with the other countries in disputes over everything from the EU voting method to the election of the president of the European Commission.

There are signs that Mr. Major's assertion that "the high tide of federalism" in Europe has been reached is playing well with the British public.

On single currency, 55 percent of Britons who responded in a recent poll for the BBC by Harris Research opposed it. Only 31 percent favored it.

The cabinet is still divided on the issue. Kenneth Clarke, the powerful chancellor of the Exchequer, who is often placed in the "pro-European" camp, still adheres to the idea of eventual monetary union.

But Mr. Major has been hardening his opposition to achieving it, at least during the next two or three years.

At the World Economic Forum in Davos, Switzerland, Jacques Santer, the commission president — who got the post after Britain vetoed a contender backed by the other countries — renewed the commitment to a single currency and said he wanted to stick to the timetable, by 1997 or 1999 at the latest.

Mr. Major's dawning "Euroskepticism" also may pay some political dividends by bolstering his wafer-thin majority in Parliament. A group of Conservative rebels has been temporarily expelled from the party for refusing to go along with perfunctory bills to pay money to the EU.

The government is wooing them to get them to return, since without their nine votes, the party is four short of a majority and needs to rely on other parties, like the Ulster Unionists, to get bills passed.

General Rose Defends Record

Former Bosnia Peacekeeper Gets Cold Shoulder From U.S.

By Dan Williams
Washington Post Service

WASHINGTON — If you come from a country where everyone wants to be compared to Winston Churchill, proving you are no Neville Chamberlain can be an all-consuming task.

That was the chore Lieutenant General Michael Rose of Britain set himself during a trip to the United States last week. General Rose has just finished a year in Bosnia as head of the United Nations peacekeepers.

By all accounts, the general's long military career has been distinguished. But he has been stung by reports that he appeased the separatist Serbs in Bosnia, called in Washington as genocidal killers.

General Rose's American mission seemed at least designed to counter suggestions that he was the reincarnation of Mr. Chamberlain, the British prime minister whose surrender of part of Czechoslovakia to Nazi Germany in 1938 has become synonymous with weakness and betrayal.

"Even if one did believe in reincarnation," General Rose said with a thin smile during an appearance at the National Press Club, "this would not be physically possible, because Chamberlain died after I was born."

At the press club and later during a banquet at the British ambassador's residence, General Rose argued his case: There is less killing in Bosnia than a year ago, his troops are feeding the needy, his mission was a success. He treated the Serbs in a businesslike way, distasteful as that might have been.

The problem in Bosnia, he argued, is due to the unwillingness of any of the warring sides — the Muslim-led government, the Bosnian Croats, or the Serbs — to show "the slightest interest in peace."

It is just that kind of statement that puts him at odds with the Clinton administration, which regards the Serbs as the principal obstacle to peace. The Muslims and the Croats have signed a peace accord; only the Serbs, holding on to vast conquests, are holding out.

General Rose's visit was greeted largely by administration silence. Two likely candidates to greet him found no time. In New York, Madeleine K. Albright, the U.S. ambassador to the UN, was busy, an official said. In Washington, Richard Holbrooke, assistant secretary of state for European affairs, canceled an appointment at the last minute because of "scheduling difficulties," according to aides.

Only at the Pentagon did the general find soul mates with whom to discuss the perils and promises of peacekeeping.

Because of his perceived reluctance to order NATO air strikes, General Rose became the focus of revulsion among commentators, who portrayed him as a lackey of the Serbs. General Rose, in turn, claimed to be a victim of misreporting by the press in Sarajevo, which he described as a victim of Bosnian government propaganda.

"There are all sorts of other agendas being pursued amongst the various different warring elements there, and I include the government in that," he said.

In a recent BBC documentary, the general said of his unwillingness to call in air strikes: "We are not here to protect or defend anything other than ourselves or our convoys."

After U.S. Leaves, Bavaria Will Control Hitler's Resort

Reuters

MUNICH — The state of Bavaria will keep control over Hitler's former Alpine hideaway to prevent it from becoming a magnet for neo-Nazis after the U.S. Army closes its recreation center there later this year.

A spokesman said Saturday that the state would work with local officials to ensure that the "Eagle's Nest" on the Obersalzberg mountain in Berchtesgaden was properly used.

"In view of the historical taint on the property, the state government will make sure there is sufficient public influence over the use of the Obersalzberg," the spokesman said.

Since the end of World War II the army has used Obersalzberg as a winter sports center and golf course. But an army spokesman said Friday it would close the center because of the sharp reduction in U.S. forces in Europe since the end of the Cold War.

A small part of the remaining complex is open to the public, and about 400,000 tourists visit it annually.

Turks Offer Water to Israel

Agence France-Presse

JERUSALEM — Turkey has proposed to sell Israel 60 million cubic meters (2.1 billion cubic feet) of drinking water a year to solve shortages, officials said Sunday.

BRIEFLY EUROPE

EU Foreign Ministers Set To Strike Deal on Turkey

BRUSSELS (AFP) — European Union foreign ministers will clear the way Monday for the signing of a customs union with Turkey later this year in a diplomatic deal that would lead to negotiations on Cyprus's membership of the Union being brought forward, EU sources said.

Officials said Hans van den Broek, the Union's external relations commissioner, would ask the ministers to commit to starting talks on Cypriot membership within six months of next year's intergovernmental conference on the Union's future. In return, Greece is expected to drop its veto of the customs union deal.

Bonn Comes Under Fire For Allowing U.K. Beef

BONN (Reuters) — Politicians, business people and consumer advocates have criticized Health Minister Horst Seehofer for ruling that some British beef could again be sold in Germany.

Mr. Seehofer, acting under European Union guidelines on the threat of so-called mad cow disease, ruled that beef from British cattle born after Jan. 1, 1992, could be sold in Germany again starting Monday.

The Lower Saxony premier, Gerhard Schroeder, told the Bild am Sonntag newspaper that Mr. Seehofer would be "acting irresponsibly if he let beef be imported that could be infected" with the cattle brain disease known formally as bovine spongiform encephalopathy. The Central Association of German Butchers said it would ask its 27,000 member shops to give guarantees that they sold only German beef.

Citing War in Chechnya, NATO Delays Russia Talks

BRUSSELS (AFP) — The North Atlantic Treaty Organization will not be entering discussions with Russia on the enlargement of the alliance until the war in Chechnya is over, a senior NATO official has announced.

While NATO has not condemned the Russian intervention, relations have been cool since Dec. 1, when Foreign Minister Andrei V. Kozyrev refused in Brussels to sign an agreement tailored to bring Russia into NATO's Partnership for Peace program.

Algiers Rejects a Proposal By French for Peace Talks

PARIS (AFP) — The Algerian government has rejected President François Mitterrand's call for a European Union conference on the Algerian crisis.

The French president's proposal, which followed a meeting with European commissioners, sparked a war of words as Algiers recalled its ambassador from Paris for consultations and summoned the French ambassador in Algiers to tell him that it would "not accept any interference" in its internal affairs. Ambassador Michel Leveque also was asked for a full explanation of Mr. Mitterrand's remarks, a Foreign Ministry statement said.

A Call for a Building Ban In Flood-Prone Regions

ARLES, France (Reuters) — European Union environment ministers have suggested a possible ban on new riverbank construction in flood-prone areas along the Rhine and Meuse rivers. The measure follows heavy flooding in Northern Europe.

The ministers, meeting informally in this southern French city, said that firm measures must be taken on such matters as planning and land use. These included "preventing further urbanization in vulnerable areas along the Meuse and Rhine," possibly including a ban on further construction.

EU Weighs Increased Aid For Impoverished Nations

BRUSSELS (AFP) — The European Union, whose membership has just grown from 12 to 15 countries, will consider Monday whether to increase financial aid to impoverished African, Caribbean and Pacific partner states.

The purpose of the meeting will be to create a new European Development Fund for the next five years to replace the present one, which is due to expire Feb. 28.

The European commissioner in charge of the partner states' dossier, João de Deus Pinheiro of Portugal, has suggested raising the amount of money in the fund, which from 1989 to 1994 received 11 billion European Currency Units ($13.7 billion) in contributions from EU members. Mr. Pinheiro wants to raise the amount to 14.3 billion Ecus between now and 1999.

Calendar

European Union events scheduled for Monday:

BRUSSELS: The Socialist group in the European Parliament will meet Monday and Tuesday for a seminar that aims to prepare the 1996 intergovernmental conference.

BRUSSELS: EU foreign ministers meet to discuss customs union with Turkey and to prepare for a new political and economic agreement with African, Caribbean and Pacific countries associated in the Lomé convention.

BRUSSELS: Agriculture Commissioner Heinz Fischler meets Agriculture Minister Margareta Winberg of Sweden.

BRUSSELS: Competition Commissioner Karel Van Miert and Regional Policy Commissioner Monika Wulf-Mathies will meet the British Parliamentary undersecretary of state for Northern Ireland, Baronness Jean Denton.

Sources: Agence Europe, AFP.

EDITORIALS/OPINION

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Human Rights Worldwide

The U.S. State Department's annual scorecard (No. 19) on international human rights is excellent. It compiles, in sometimes numbing political-science detail, a vast array of *factual information* about how governments meet their human rights obligations. It solves the problem of how to distinguish among different sorts of *governments* — friendly and unfriendly, democratic and authoritarian — by concentrating on abuses no matter who is committing them and by treating the abuses evenhandedly. This makes the report not only authoritative but also useful and fair, although those with whom America has close dealings and who are held up to criticism (Russia, China, Mexico, Israel, Turkey etc.) don't like it.

The State Department hails the human rights advocacy groups for their leading role in amplifying rights concerns. This discomfits the groups. They complain that it is well for the government to describe abuses, even honestly describe them, but that this does not excuse the government *from its responsibility to* turn up the heat and end the abuses. In fact, it is a major step, one which discharges a major responsibility, for the *U.S. government to tell the truth about* rights and to put out the facts under an official imprimatur. In this way human rights are kept on the international agenda and made a routine factor in overall American policy deliberations.

You could argue that it is the "policy" of the American government not to remedy *every fault it finds in others'* human rights performance. It would be more accurate to say that the government, as it must, weighs the policy claims of human rights against the claims of other considerations. Sometimes the resulting decisions deserve criticism, and are criticized — even, indirectly, in the State Department report. This year's report acknowledges, for instance, that last year's delinking of trade from human rights in Washington's dealings with China has not yet worked — in important ways, the report finds, performance deteriorated.

This series of reports began under an administration interested first in attacking the abuses of Communist governments. *Their centralization of power made* top-down remedies at least feasible. Now, with the Cold War over, many of the affronts are committed by or under rickety *systems* and weak governments that exist without either strong authority or strong countervailing institutions that can hold a government that violates human rights accountable. Inevitably this makes the effort to remedy such violations slow and uncertain — but essential to pursue.

— THE WASHINGTON POST.

Fantasies at the Pentagon

The Pentagon has become a master of illusion, holding Congress spellbound with the proposition that U.S. armed forces must be capable of waging and winning two major regional wars simultaneously. The corollary follows easily: If Congress approves a defense budget short of the two-war mark, it will jeopardize America's security.

Gauging America's security needs at a time of diminishing threats and declining budgets requires a more realistic assessment of dangers and the forces needed to meet them. Peace has not settled over the world, and Washington should not give up its military superiority. But before Congress is finished trying to balance the budget by the year 2002, it will have to take a second look at defense spending. When it does, it needs an honest picture of the threats facing the United States after the disintegration of the Soviet Union.

A military strategy built around two *major regional wars levies unsustainable* requirements on the size of the armed forces, their readiness to go into battle on short notice and the airlift and sealift to *transport and supply them. The requirements* are so demanding that they exceed the Pentagon's ability to meet them within the budget levels now being contem*plated — even by Republicans who want* sharp increases in defense spending.

The Pentagon imagines the equivalent of the Korean War and the Gulf War *happening at the same time. But with* China and Russia consumed with internal concerns, the threat posed by North Korea or Iraq looks much different than *it did during the Cold War, or before Iraq* was battered by allied forces in 1991.

General Gary Luck, commander of U.S. forces in Korea, has said that North *Korea's military power is eroding — its* weapons are aging and not well maintained, its forces exercise too infrequently to be ready for war. Its artillery remains within range of Seoul, and most of its forces are located so near to the North-South dividing line that they could punch through part of the South's defenses, but a war would soon turn suicidal for the North. Other senior commanders acknowledge that Iraq is hardly the menace it once was.

One rough measure of threat is the defense budgets of North Korea and Iraq. North Korea is spending less than $6 billion a year and Iraq less than $3 billion. The current Pentagon budget is $252 billion. The United States is nearly outspending the rest of the world combined. Of the countries with the next 10 largest defense budgets, only Russia and China are not U.S. allies, and they pose no near-term threat.

Pentagon comparisons of the relative firepower of American and enemy forces show that the United States has more than 10 times the tank capability of North Korea or Iraq, and more than 20 times their capability in fighter aircraft. In sheer numbers of tanks, aircraft and naval vessels, the United States holds a strong advantage over any likely foe.

Then there is American technological supremacy, which was so evident in the *Gulf War. In weapon after weapon, from* F-117 stealth fighter-bombers with laser-guided bombs to counterartillery radars, U.S. forces have an overwhelming edge.

At a time when Americans are reluctant to send troops anywhere, the prospect of waging two wars at once seems improbable. Defense Secretary William *Perry himself calls it* "entirely implausible." With wrenching budget cuts coming in domestic programs, the Pentagon cannot expect Americans to subsidize *defense fantasies.*

— THE NEW YORK TIMES.

The Fed Is Doing Its Job

If the country is lucky, the rise in unemployment in America last month will turn out to mark the beginning of a gradual slowdown in the growth of the economy. It could be the signal for which *the Federal Reserve Board has been anx*iously searching ever since it began raising interest rates a year ago. The Federal Reserve is trying to restrain the economy *and pull it down to a lower rate of growth* without tipping it into a recession. That is an exceedingly difficult balancing act.

Critics of the Federal Reserve vehe*mently accuse it of having gone too far* — of condemning the country to another recession by raising interest rates too high. The only reason to limit growth is to avoid inflation, and they point out that inflation so far has been conspicuously low. The Federal Reserve responds that inflation does not accompany growth, it follows growth, and that once it starts to gather momentum it can be brought under control only at a severe price in high unemployment and lost production.

Some people believe that the structure of the American economy is changing in ways that are making it less susceptible to high inflation. But it is unlikely to have changed substantially since 1990, the last time the economy went through the familiar crest-and-bust cycle.

True, it takes time, roughly a year, for an increase in interest rates to affect the real economy of jobs and output. If the economy is now beginning to decelerate, that is arguably a response to the Federal Reserve's first moves last winter and spring. It won't be until next year that anyone can say with certainty whether last Wednesday's decision to go up another half a percentage point was just right or too much.

The justification for this latest rise lies at least partly in the atmosphere that President Bill Clinton and both parties in Congress are creating as they embark on a competition in tax-cutting. While all of them swear that the tax cuts will be fully offset by reductions in spending, the past record warrants skepticism. *Even if this promise is fulfilled, the bud*get deficit will continue to be troubling. While Mr. Clinton has brought it down sharply in the past two years, he evident*ly plans to do no more before the next* election. The Republican majority in Congress has talked of balancing the budget in the next decade, but it has yet to get specific about the ways in which it would accomplish that feat.

The normal play of partisan politics is once again encouraging expectations of higher inflation ahead. Those expectations are dangerously self-fulfilling, and the Federal Reserve is right to do what it can to stamp them out.

— THE WASHINGTON POST.

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Yeltsin Needs to Drop Cronies and Rein In the Army

By Jim Hoagland

WASHINGTON — Russia's savage war in Chechnya manages to give the principles of self-determination and national unity a bad name — the bloody means eclipse such noble ends. Chechnya *has become a synonym not for national* struggle and glory but for human suffering and disaster for all involved.

Western leaders and their publics have interpreted this war as a struggle over Chechen independence and Russian territorial integrity. But the motivations of Boris Yeltsin and the Chechen leader Dzhokar Dudayev are in fact more obscure than that. They had coexisted uneasily for three years, despite Mr. Dudayev's declaration of independence. What sparked this fight to the death has yet to be explained.

Analogies have proliferated as Mr. Yeltsin stepped up the Russian assault in recent days, putting in doubt his own *destiny in history.* A professor writing to The New York Times proposes the hubristic Boris Godunov as the right comparison; the inimitable editorial writers *of The Wall Street Journal see Mr. Yelt*sin as the 1995 Mikhail Gorbachev, about to disintegrate.

I hold a different image of the Russian president and the bloodbath he unleashed on the bothersome rebels in Grozny. Mr. Yeltsin looks to me like the older, bald crook in Quentin Tarantino's "Reservoir Dogs," who assembles *and dispatches a team of incompetent* and psychopathic gunmen on a small jewel robbery. They turn the list into mass slaughter, and all of them including the head man, wind up dead on a warehouse floor.

Mr. Yeltsin does not have to turn out as the deposed Godunov, the displaced Gorbachev or a dead cinema crook. He does not deserve such fate. But any way you slice it he has a battle on his hands to win back the support and sympathy he enjoyed before Chechnya. He cannot begin too soon. And he has to begin by explaining what he has been doing.

I have heard experts argue that Chechnya is essentially the result of the drunk*en stupors* that they say Mr. Yeltsin falls into daily. Others equally wise in Kremlin ways respond that he is in the grasp of, or in cahoots with, sinister secret police forces who are manipulating the Chechen crisis to return Russia to totalitarianism. Both batches of experts admit that they are guessing.

The key decisions in this small brutish war have been made by Mr. Yeltsin and a small group of cronies who sound as if they would fit into a Tarantino gangster film. There is evidence that the *mob* analogy works. Faced with growing law and order problems created by a small criminal enterprise, the Dudayev regime in Grozny, *Mr. Yeltsin turned to a large* criminal enterprise — the Russian military — to fix things.

The KGB's successors did play a key role in dragging President Yeltsin into this quagmire, but perhaps not in the way the conspiratorialists believe.

The Russian spooks mounted a covert operation in Grozny in November to rid Mr. Yeltsin of the meddlesome local capo who threatened key Russian pipelines and transportation routes. But the operation went bad and the Russian agents were captured.

Mr. Yeltsin learned of this after the fact, when Mr. Dudayev displayed Russian captives on television, according to a version circulating in Moscow's diplomatic community. Fix this, Mr. Yeltsin blustered at the military, without specifying details. That is when General *Pavel Grachev, the defense minister,* picked up the sledgehammer of the Russian army and swung. Things have spiraled out of control since.

Which version you believe determines to some extent what you think the United States and other governments should do about Mr. Yeltsin now. If you believe *that he is permanently drunk or under* the control of sinister forces, it is time to write him off and put your money on encouraging political change in Moscow.

But if you believe with me that he has more than anything else been the victim of any military establishment's ability to render any situation FUBAR — a military acronym gently translated as Fouled Up Beyond All Recognition — then you will want to apply pressures to get Mr. Yeltsin to rein in the army and move away from cronies who got him in this mess.

That means firing General Grachev (whose unpopularity makes his removal a plus in any event) and disbanding the secretive National Security Council that has run the Chechen *operation. It means* apologizing to the Chechens for the bombing and shelling of crowds of refugees on Feb. 1, and making sure that *there is no repeat of such outrage.*

As the Kurds, Berbers, Timorese and others will tell you, no group is guaranteed the right to exist as a nation, no *matter how worthy its claim.* But any group should be guaranteed freedom from barbarism. Mr. Yeltsin has to stop the gunmen and psychopaths he has unleashed before they destroy him as well as Chechnya.

The Washington Post.

These Are Soviet Sloganeers Turned Capitalist Power Seekers

By William Pfaff

PARIS — A year ago the main excitement at the World Economic Forum held annually in Switzerland was provided by Russia's advocates of crash economic reform, who had just lost out in Moscow. They came to Davos with their American advisers to forecast runaway inflation in Russia, with accompanying political chaos.

A year later the trouble in Moscow is political rather than economic. The economic pessimists were wrong. Things are no worse than they were, and they might even be better. Inflation year-on-year is lower than last year, and liberalization of the economy and of the energy sector in particular goes on, if slowly and at immense social costs.

George Soros describes Russia today as "robber capitalism arising from mass privatization." However, that is not the worst of the possible outcomes.

There undoubtedly is a mass constituency for reform, thanks to privatization, as Anatoli Chubais, the country's deputy prime minister in charge of finance and the economy, told this year's Davos meeting. Whether this means, as he argued, that reform is irreversible is not as apparent to the outsider as it seems to him. In any case, which reforms? Not the political ones.

But the political reforms are what count, and the trend seems against them. The Yeltsin government has become steadily more isolated and arbitrary as the months have gone by, and a serious question exists as to whether the parliamentary election supposed to take place in 1996 will actually happen. The Russians at Davos have mostly spoken about the election in conditional terms. One added that if the parliamentary election does take place as scheduled, so — "probably" — will the next presidential election.

Chechnya has been a turning point. Most of the Russians present at Davos support the policy of forcing the Chechen nation back into the Russian Federation, all adding of course that it should have been done differently. This often involves apologetic remarks about young soldiers who get out of hand in combat.

The troops may have got out of hand, but their political commanders were the problem. The issue is not whether Russia has a reasonable case in wishing to hold the federation together. It is whether war is the way to go about it. Following that, it is about whether the liberal democracies should finance repression in Russia.

One of the young Russian reformers, *potential presidential* candidate who must be unnamed (there has been more than one would-be president in Davos), said *to me that if he had* been running the war he would first have ordered Russian television and press to campaign against Chechens as loathsome people responsible for all Russia's crime and disorder. Then, he said, the crowds would have cheered when the invaders went in. I said this sounded just like the old days, but he was unperturbed. Not much democratic reform there.

I was particularly struck at this meeting by something I am reluctant to say because it will be taken as a personal attack, yet which seems to me important. This is the seeming lack of general culture among many if not most of these younger Russian politicians (and avowed reformers). They are Soviet Man, cast loose to become Capitalist Man.

They are victims still of a Soviet system which *systematically* attempted to destroy the humanist and religious traditions of Russia by means of a totalitarian educa*tional effort to substitute prole*tarian internationalism, "scientific socialism" and atheism for the old civilizational norms and tra*ditions of the country.*

The Soviet effort to inculcate a new cosmology eventually produced much alienation and cyni*cism, but was successful to the* extent that the alternatives to it were damaged or eliminated. The destructive effort was helped by the fact that it went on for 70 years — three generations.

All the Russian reform politicians were formed by the Soviet system, and all were functionaries in the Soviet government or members of state or party institutes until the system collapsed. They are not educated men, cultivated men, in the way their counterpart state officials and academics ordinarily are in the United States, France or Germany. (One had a different impression of Mikhail Gorbachev, possibly because of the influence of his wife, a professor of literature.)

They have become converts to Western economic and political ideas, but from the outside, and they lack the intimacy, range of *associations and ideas, and ex*perience of market capitalism and democracy which Westerners automatically possess.

Obviously this must be so. Not until democracy has been successful in Russia for a generation or two will there be any other kind of politician.

Nonetheless the limits of these men must be understood. The fatuous eulogizing by American presidents and a German chancellor of Boris Yeltsin as a great democrat displays a Western unwillingness to see these men as they are. They are people in an extremely difficult situation, attempting to make over not only their country's political system but its political and economic culture. At the same time they lack a comprehensive understanding of what is supposed to come out of this effort.

They are working with slogans. They were brought up on slogans. What they do understand is power, because power is what Leninism was about. The struggle in Russia today is about democracy, but it is also about power, and the struggle for power will determine the struggle for democracy.

International Herald Tribune.
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Whether Israelis Think 'Maybe' or Maybe Not' Is Up to Palestinians

By Thomas L. Friedman

JERUSALEM — To under*stand the mood in Israel today* you have to understand what the handshake between Yitzhak Rabin and Yasser Arafat did for Israelis — *even the most hard*line. What it did, say Israelis, was introduce a new word into their diplomatic lexicon: "Maybe."

Maybe this war with the Palestinians is not forever, maybe we can live together in two states, maybe tomorrow can be different *from yesterday. Maybe.*

But after the latest Palestinian suicide attack on Israelis at Beit Lid, an older phrase is creeping back into the Hebrew lexicon: "Maybe not."

That is why this peace process is in trouble. That is why the next stage — Israeli redeploy*ment from Arab areas in the* West Bank, followed by Palestinian elections — will not happen anytime soon. That is why *some anonymous soul has just* draped a banner on a bridge in Tel Aviv, which says simply: "Rabin: Wait A Second."

Beit Lid snapped something in the Israeli psyche. As an Israeli friend remarked to me: "I feel now like we've tried war, we've tried peace, what's left? Has it finally come down to that stupid joke, 'Oh well, that the crazy Middle East'? Is that? Are we living the joke now?"

Why did Beit Lid ask such profound questions? One answer could be found the morning after when the Israeli newspaper Yediot Ahronoth ran pictures of all 19 victims on its front page, under the banner headline: "The Children Who Will Never Come Back."

That headline intrigued me. All but one of the victims were armed Israeli paratroopers in uniform, yet the newspaper called them "*children.*" When 18-year-old soldiers die in Lebanon, the newspapers call them "soldiers." But when *18-year-old* soldiers die at a bus stop in the heart of Israel they are called "children."

I think it was the Israeli way of saying that these youths were not at war; they were at home. And the fact that 19 Israeli children could be killed at home by Palestinian suicide bombers, even after there was supposed to be peace, means that the accord with the PLO must be hollow.

There was *also the fact that the* Beit Lid attack was carried out by two Palestinian bombers working together. The idea that you could recruit two people *to commit suicide* together, the first blowing himself up amid the soldiers and the second blowing himself up *amid the rescue squad, is so utter*ly depraved that it left Israelis feeling that they were dealing with something wholly out of *their control.*

A woman I knew in Beirut used to joke that whenever she flew on an airplane out of Lebanon she carried a bomb in her suitcase, because the odds of two people carrying a bomb on the same plane were virtually impossible. Well, the Palestinian fundamen*talists just beat the odds,* and that's scary.

Mr. Rabin seemed so disoriented by it that he ordered police to protect the bus stops where paratroopers gather. Think about that. Police protecting paratroopers. Who will protect the police?

The other thing that so unnerved Israelis was how Palestinian fundamentalists in Gaza celebrated, even re-enacted, the suicide bombings, *while Mr. Arafat* issued a perfunctory condemnation through a spokesman. This has left many Israelis wondering *whether their problem is not with* a few Palestinian extremists but with a community of extremists.

Mr. Rabin has picked up on the *Israelis' desire to separate from* the Palestinians. Every day now he declares that his primary concern is the "97 percent of Israelis" who *live within the boundaries of "sov*ereign Israel" — not those settlers in the West Bank and Gaza.

But while the prime minister *speaks about separation, his* government has increased settlements in the West Bank by 10 percent in two years. That is crazy. It *undermines* Mr. Arafat's credibility and leaves Palestinians feeling that they are being duped. It's time for Mr. Rabin to draw them a line where Israel stops and they start.

As for Mr. Arafat, Israelis don't expect him to end all violence against them. They understand that some originates from areas under Israel's control. But they do expect him to remove the ambiguity about whether these suicide bombers are the fringe of his community or its very soul.

If they are the fringe, then he has to demonstrate that. If they are the soul, then this peace process is over. The only Palestinian state will be in heaven, with the suicide bombers, not here on earth next to Israel. And that's not maybe.

The New York Times.

On Clinton, Public and Press Diverge

By Marvin Kalb

WASHINGTON — Among many reporters and pundits working in Washington, *Bill Clinton's State of the Union* Message was a stunning flop. But among many Americans elsewhere in the country it was a *success, judging by polls, ratings* and a sampling of public opinion by the MacNeil/Lehrer Newshour. How could these judgments be so radically different?

While many voters are interested in substance, a number of anchors and columnists, acting like Broadway critics, "covered" the speech as if it were the opening of a play. They were absorbed with style and form rather than programs.

No surprise here. Increasingly, academic studies point to a press preoccupation with "theater" criticism instead of old-fashioned political analysis.

The occasional commentator focused on substance rather than style, but most gathered around *the obvious point that the speech* was too long — 81 minutes — and too disjointed. Check the headline on Richard Cohen's column in The Washington Post: "All Mush and No Message."

An overall laziness seems to have permeated Washington's press corps, as time and again all that commentators could think of saying was that Mr. Clinton tried to satisfy too many constituents, that he lacked vision and that he was "unfocused," like his administration.

Much of the nation registered a different judgment. According to television ratings, Americans did not click off the president. Indeed, ABC's ratings increased the longer he spoke. Polls indi*cated that many viewers reacted* with modest enthusiasm.

A Washington Post/ABC poll showed that the president's ap*proval rating* jumped to 54 percent from 46 percent. Clearly, many respondents seemed ready to give him the benefit of the doubt. Focus groups, such as the one in Denver featured on PBS's Newshour, did not even mention the length of the speech. They were concerned about programs and policies.

On that broadcast, a Republican panelist volunteered the view that the president seemed presidential and not, as the columnist David Broder put it, "the loquacious, self-centered youth who somehow slipped *into the Oval Office.*"

The panel seemed to appreciate Mr. Clinton's emphasis on education and welfare reform and his willingness, however expedient the motive, to cooperate with the Republican leadership on Capitol Hill.

The inside-outside disparity suggests a disconnect between the press and the public it serves — or is supposed to serve.

As in the 1992 presidential campaign, and to a lesser extent in the 1994 elections, the press seems absorbed with process while the public yearns for a serious exploration of issues.

One explanation is that reporters in Washington are so close to the story of politics, so friendly with the politicians, so knowledgeable about the issues, that they assume that the public is equally informed and eager for titillating insider tidbits rather than a detailed (boring?) review of the main issues.

Another possible explanation is that journalists have become so accustomed to criticizing politicians, especially Bill Clinton, that they are more comfortable attacking than praising. Indeed, they are *terrified* that someone could conclude that they are — heavens! — sympathetic to Clinton policies.

Whether the issue is a presidential campaign or a State of the Union speech, a credibility gap is developing between the press and the public, at a time when the press is extraordinarily powerful and the public is desperately hungry for information.

Why are so many Americans rushing to the new mysteries of the Internet and listening to talk radio *in surprising numbers?* One answer may be that the press is losing trustworthiness — that it comes through as having its own agenda.

The press is being perceived as elitist, opinionated, liberal and self-centered. Although it looks facts in the face every day, it is blind on this score.

The only way it can recover the bedrock trust it enjoyed in an earlier time is to return to yesterday's legwork and to drop the pomposity.

The writer, a visiting professor at George Washington University, is director of the Shorenstein Center on Press, Politics and Public Policy at Harvard University; he was chief diplomatic correspondent for CBS and NBC for 25 years. He contributed this comment to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1895: Colonial Congo

PARIS — [The Herald says in an editorial:] The Congo is about to finally become a Belgian colony, *which it has been in fact,* if not in law, since King Leopold was obliged to give up maintaining the budget of the great African *State out of his private pocket.* The King of the Belgians, who had undertaken the colonisation of the Congo with purely humanitarian aims, abandons to Belgium the considerable sums he has devoted to his philanthropic work, which, by a gradual deviation from his original programme, has become monopolitical and commercial.

1920: Passenger to Mars

PHILADELPHIA — Captain Claude Collins, president of the Aviators Club of Pennsylvania, offers to be a passenger in the rocket invented by Professor Goddard for the leap to Mars. He requires communication be established by a previous rocket reaching the planet before he makes the attempt. One of his conditions is that a "board of ten prominent scientists shall agree to the practicability of the completed rocket and its possible success of reaching the planet with me safely."

1945: Into Manila

WASHINGTON — President Roosevelt, hailing the American re-entry into Manila, pointed a warning to "Japanese and other enemies of peaceful nations" that "their world of treachery, aggression and enslavement cannot survive." [The Herald says in an editorial:] We have redeemed the promise to return; we *must* press on now with the sober resolve that we will not again so far forget the responsibilities of our power on the world's stage.

INTERNATIONAL

Jihad Chief Calls PLO Self-Rule Deal 'Dead'

By Nora Bustany
Washington Post Service

DAMASCUS - The leader of the radical Islamic group that claimed responsibility for a recent bombing in Israel has said that the Israeli-PLO accords on Palestinian self-rule are "effectively dead."

"The war continues," Fathi Shiqaqi, secretary-general of Islamic Jihad, said in an interview. "What is going on inside Palestine now is a real war that will witness an escalation."

Islamic Jihad, which claimed responsibility for detonating bombs that killed 21 Israelis last month, maintains the "biggest military operation inside Palestine," Mr. Shiqaqi said.

Islamic Jihad and the Islamic Resistance Movement, or Hamas, have been at the forefront of efforts by Islamic radicals to derail the agreements between Israel and the Palestine Liberation Organization chairman, Yasser Arafat, to establish limited Palestinian autonomy in the Gaza Strip and the West Bank town of Jericho.

Mr. Shiqaqi said he was "satisfied" with the bombing.

"It was a military target well hit and revenge for the killing of Hani Abed," he said, referring to a Palestinian journalist and Islamic Jihad member who died in a November bombing that many Palestinians militants suspect was carried out by Israeli intelligence agents.

Mr. Shiqaqi, 44, founded Islamic Jihad in Gaza in 1981. Since being expelled from the Gaza Strip in 1988, he has lived variously in Beirut, Damascus and Tehran.

His presence and activities in Syria draw criticism recently from the U.S. government.

After Mr. Shiqaqi made a statement on Jan. 22 confirming Islamic Jihad's role in the bombings, Secretary of State Warren M. Christopher called the Syrian foreign minister to stress the need to stop providing a safe haven for terrorist groups, a State Department spokesman said.

Syrian officials and Mr. Shiqaqi deny that there are structural, official or logistical links between Damascus and Islamic Jihad operatives in the Israeli-occupied territories.

Mr. Shiqaqi said he was not involved in the "direct planning" of the Jan. 22 bombing, but was informed within an hour.

The bombing capped months of anti-Israeli violence by Muslim groups opposed to the Middle East peace process.

When the leaders of Egypt, Israel, Jordan and the PLO met in Cairo on Thursday in an effort to bolster support for the peace process, they condemned violence and terrorism, and Prime Minister Yitzhak Rabin of Israel demanded that Syria stop providing a haven for Palestinian groups that oppose the peace process.

But on Saturday, Syria dismissed Mr. Rabin's demand, saying Arabs had the right to resist Israel until they had liberated their occupied lands, Reuters reported.

Israel Maintains Curfew

The Israeli cabinet decided Sunday to maintain its latest closure of the West Bank and Gaza Strip, which was imposed after the Jan. 22 bombing, Reuters reported from Jerusalem.

The decision, which keeps tens of thousands of Palestinians from commuting to jobs in Israel, angered Palestinian leaders, who said the ban would encourage the Muslim extremists it was meant to deter.

2 Senators Want U.S. Embassy In Jerusalem

New York Times Service

WASHINGTON — Senator Daniel Patrick Moynihan, Democrat of New York, and Senator Alfonse M. D'Amato, Republican of New York, urged the Clinton administration to move the U.S. Embassy in Israel from Tel Aviv to Jerusalem as soon as Israel and the PLO finish negotiations on the status of the divided city.

In releasing a letter Friday that they plan to send to the State Department about the embassy, the two senators ignored the administration's pleas not to set off a new debate on the sensitive issue for fear that it would undermine Middle East negotiations.

Nonetheless, administration officials and congressional aides said the letter advised a go-slow approach on moving the embassy.

Traditional Ramadan Radio Tales Give Egypt a Medium for Its Message

By Chris Hedges
New York Times Service

CAIRO — There is an old Arabic superstition that warns that whoever tells stories during the day will grow horns and see his gold turn into iron. Night is the time for stories. And the best stories, as has been true for generations in the Muslim world, are saved for the languid evenings during the holy month of Ramadan.

At dusk during the holy month, which started Wednesday, Muslims break their daylong fast, performed as penance, with *iftar*, the evening meal. They feast on dates and figs, on *qatayif*, small pancakes filled with raisins and nuts, and on *bamia*, a beef stew with okra and onions.

And, while families gather around the table, many turn on the radio to follow the special serials that start on the first day of Ramadan and culminate on the last. These stories of love, intrigue and adventure help envelop this country of nearly 60 million in a unity of purpose that briefly shuts out the widespread poverty, political unrest and misery.

And the serials carry on the ancient art of storytelling that Arabs have nurtured since before the "Thousand and One Nights."

But in the politically charged climate of Egypt, the serials are also an important part of the government's drive against Islamic militants, who are waging a violent campaign to create an Islamic state.

As portrayed in these melodramas, the police tend to be intelligent and honest. Islamic militants, when they appear, are usually depraved and misguided. And Egypt is shown as a land of hope and opportunity for those who work.

The militants, who denounce the serials, have threatened many of the writers, actors and directors involved, and some of them now have bodyguards.

"In the last couple of years, the government has increased its use of the radio serials to transmit its propaganda," said Fahmi Howadi, a writer on Islamic affairs. "The serials are now a powerful weapon in the government's war against the Islamic trend, although I find the government's message naive and unconvincing."

The serials, nevertheless, are extremely popular.

"The lower classes listened faithfully to these programs," said Samya Saaty, head of the sociology department at Ein Shams University. "The programs portray the problems many people face, from marital difficulties and poverty to drug addiction. People look to the dramas for solutions."

There are four main radio stations and each mounts serials for the month. The stations broadcast their programs at different times so listeners can switch from one to the next until *suhour*, the meal eaten just before dawn.

Egypt's television and cinema stars spent most of January in recording studios in Cairo's radio and television building producing the 15-minute episodes.

"When I was a young girl my friends and I would sit up nights and listen to the dramas during Ramadan," said Salwa Mohammed Ali, an actress who is playing in a radio serial. "I could barely wait until the next episode."

The writers, actors and the actresses often save their best scripts and performances for Ramadan. Many have also developed a fondness for radio drama, an art form that has died out in many other parts of the world.

"Radio invites people to imagine, to participate in the production," said Mrs. Mohammed. "It gives almost as much pleasure as reading."

The hottest serial this year is called "Rice With the Angels." The show, taken from an Arabian proverb about dreamers that says "they are eating rice with the angels," features some of the biggest names in Egyptian show business.

The serial tells the story of a beautiful girl, Shams, and a poor boy who loves her, Menadi, whose schemes to make money are thwarted by his lack of education and poverty.

"The message of this story is that people who dream must dream realistically," said the serial's script writer, Osama Anwar Okasha. "If our dreams are unrealistic they can be destructive. People must dream within their limitations and capabilities."

There are numerous scenes that hammer home this point.

"Shams doesn't want just love," the character Menadi tells his friend Essam. "She wants someone who will snatch her away from this life, someone who will take her higher and higher. This is her dream. It is my dream, too."

"But you cannot hold down your jobs," Essam points out. "You have no weight. You do no take responsibility."

"This is not a time for people to crawl up a ladder rung by rung," Menadi replies. "It is a time for people to jump."

In the story, Menadi is falsely accused and arrested in the killing of a German, who first appears as a kindly old man who lives in Menadi's alleyway.

The German, it turns out later, was a former Nazi who persecuted Jews. In the end, the police will discover that the assassination was carried out by the Israeli secret service, the Mossad, and Shams and Menadi will get married when he is freed from prison, chastened and realistic about his life.

"This is just entertainment," said Naglaa Fathi, a movie star who appears in the serial.

"The whole country fasts at the same time, eats at the same time and listens to the radio at the same time. We all come together for Ramadan. The only problem, for us, comes from all the people who keep asking us how the story will end."

After 9 Months of Self-Rule, Jericho Still Awaits the Great Leap Forward

By Clyde Haberman
New York Times Service

JERICHO — Ayad Abu Niel has this sinking feeling that Jericho went through its allotted 15 minutes of fame, and nobody noticed.

A year ago, someone offered 60,000 Jordanian dinars for his sliver of real estate on the main square. That was equivalent to about $84,000, or an astonishing $800 a square foot.

But with Jericho the first West Bank area to come under Palestinian self-rule — junior partner to the Gaza Strip — Mr. Abu Niel felt in his bones that this somnolent town was going to boom. So he told the would-be buyer to keep his money.

It may have been the biggest mistake of his life, he now says.

"Nobody is going to pay even 10,000 dinars these days," he said. In December, he opened a jewelry store on the property. But business is mainly with hard-pressed people coming in to sell gold, not buy it.

"You could say," he said with more than a dollop of understatement, "that I'm feeling pretty frustrated."

So are many others in Jericho, who planned and dreamed in the unaccustomed glow of world attention last year, and then watched their hopes fade.

Not that nothing has happened in nine months of self-rule under the Palestinian Authority led by Yasser Arafat. Israeli soldiers are gone from the center of town, and that is the biggest prize, people say. Four bank branches have opened, and dozens of houses have been renovated. Some new construction is obvious, such as a two-story business complex where Lufthansa and Egypt Air agents promise to rent space.

NYT

But many expected a much greater leap forward, and disappointment is keen. Jericho remains a placid town of 15,000 that lays claim to being the world's oldest city, but which has not seen much action since Joshua made the walls come tumbling down.

The "might have beens" start with Mr. Arafat.

Many took for granted that he would set up shop here. One wealthy family was even asked to clear out of its house so that he could move in.

Instead, the Palestinian leader settled in Gaza. He has not so much as dropped by since a brief visit in July. Aides say he is waiting for the opening of long-delayed "safe passages" that would allow him to travel back and forth without asking for Israeli permission every step of the way.

While they understand that political logic, people in Jericho feel let down all the same.

"If Arafat had settled here, it would have been different," a clothing store clerk said. "Jericho would have been the center, and many more people would have come to visit — and to spend."

Start-up money for public works projects has been slow to arrive from Mr. Arafat's offices in Gaza. Self-rule has also had unanticipated drawbacks.

For example, Jericho under autonomy, a crane-shaped district of 24 square miles, has more crossing points than it did before. So there are more Israeli roadblocks and irritating delays for Palestinian drivers.

Israeli soldiers routinely order buses to skirt the district, so many tourists never make it into town. And Jericho has reaped few of the hoped-for benefits from the new peace treaty between Israel and Jordan. Most non-Palestinians avoid the Allenby Bridge, just east of town and formerly the main border crossing. They find it easier to use two new crossings, near the Gulf of Aqaba and Sea of Galilee.

"In the end, peace should be expressed with facts on the ground, but that hasn't happened here," said Hassan Saleh Hussein, Jericho's mayor since in August.

Unemployment is high, according to the mayor, whose desk is filled with 700 applications for jobs that he says do not exist.

Somehow, though, the Palestinian Authority has found work for many of the 320 prisoners who were freed by Israel last summer and who live in a trailer park on the edge of town, forced to stay in the autonomous district while completing their sentences. A few who killed Palestinians suspected of collaborating with Israel now carry automatic rifles and move freely in a fenced-off compound that is headquarters to Jibril Rajoub, the gravel-voiced security chief here.

Jericho's streets are awash with Mr. Rajoub's plainclothes agents and hundreds of uniformed officers who have little to do while they wait for self-rule to spread. Not everyone in town likes the security forces. Some business leaders accuse the police of intimidating dissenters, and they say fears rose after a Palestinian prisoner died two weeks ago while in police custody. Relatives said his neck and hands had been cut.

"We're still waiting for the autopsy, but I think it was a natural death," Mr. Rajoub said in an interview. Actually, he added, "everyone was glad he died. He was a famous gangster, who collaborated with the Israelis and killed four people. He was a very bad guy."

It is quieter on Jericho's streets with his police in charge and the Israelis gone, he says. On that score, almost no one in town disagrees. And even if many are plainly disappointed by the lack of blistering economic change, others counsel patience.

One of them is Farouk Hadi, who led the group of investors who built the new business complex. Most shops are still unrented, he acknowledged.

"Nothing can be done in six months," he said. "I've studied the situation, and I think Jericho is going to be very important. It will take two or three years, though. Things take time."

Patricia Highsmith, 74, Mystery Writer, Is Dead

By Randy Kennedy
New York Times Service

NEW YORK — Patricia Highsmith, 74, the American writer whose tales of gentlemen murderers and psychological intrigue were often explorations of her own obsessions, died Saturday at Carità hospital in Locarno, Switzerland, near the village where she had lived since 1982.

No cause of death was given by hospital officials, The Associated Press reported.

Ms. Highsmith, who published 20 novels and seven short-story collections, was best known for creating Tom Ripley, a highly mannered murderer who was the central character in five novels.

Her first book, "Strangers on a Train," was published in 1950 after being rejected by six publishers. The tale of two men, Bruno and Guy, who meet on a train and make a murder pact, was made into a movie by Alfred Hitchcock in 1951.

Ms. Highsmith often said she disliked being classified as a crime writer, and many reviewers tended to agree. Graham Greene, with whom Ms. Highsmith frequently corresponded, called her a "writer who has created a world of her own — a world claustrophobic and irrational which we enter each time with a sense of personal danger."

Ms. Highsmith's tales often involved people whose lives intersect briefly and who become involved in apparently harmless games that lead to violence: a man who buys and furnishes a house for a woman happily married to another man, a loner in New York City who finds a man's wallet on the street and invades the man's life.

Her character Tom Ripley is an intelligent, cultured gentleman who dabbles in art, music and, occasionally, murder. A 1975 review of her work, published in The Times Literary Supplement of London, said she used Ripley as a means to map the moral consciousness of the immoral, to portray people who obsessively examine their motives and morals but for whom there is always something basic missing.

Geoffrey P. Parsons, 65, Pianist and Accompanist

LONDON (NYT) — Geoffrey Penwill Parsons, 65, a pianist who accompanied many of the world's leading singers, died of cancer Jan. 26 at Middlesex Hospital in London.

Mr. Parsons was considered by many to be one of the leading accompanists of his time. The list of singers with whom he worked included Victoria de los Angeles, Birgit Nilsson, Nicolai Gedda, Elisabeth Schwarzkopf, Christa Ludwig, Janet Baker, Thomas Hampson and Jessye Norman.

He also played for such instrumentalists as the cellist Paul Tortelier and the violinist Nathan Milstein.

William E. Edwards, 73, who was navy commander of the submarine that rescued Lieutenant George Bush when the future president's plane was shot down during World War II, died of cancer Tuesday in Bay St. Louis, Mississippi.

Evelyn Tripp, 67, a leading fashion model of the 1950s and 1960s, died of colon cancer Monday in Remsenburg, New York.

Philip Borsos, 41, a director whose films include "Far From Home: The Adventures of Yellow Dog" and the Academy Award-nominated short "Nails," died of leukemia Thursday in Vancouver, British Columbia.

Thomas Hayward, 77, a leading tenor at the Metropolitan Opera during the 1940s and 1950s, died of kidney and heart failure Thursday in Las Vegas, Nevada.

Yuri Dyshlenko, 58, a Russian realist painter who emigrated to the United States in 1989, died of lung cancer Monday in Richmond Hills, New York.

Canal Turnover in 'Crisis'

Both Panama and U.S. Fear Mismanagement

By Douglas Farah
Washington Post Service

PANAMA CITY — When the Panama Canal Treaty was signed in 1977, it was supposed to lead to an orderly takeover of the sprawling U.S. military installations here by the Panamanian government, providing Panama with needed infrastructure and a permanent source of income.

But with only five years left before the United States finishes its pullout, just 15 percent of the properties have been taken over by the Panamanian government and some of those are now a shambles.

There is growing concern by U.S. and Panamanian officials that the American bases, widely called Panama's national patrimony, could be squandered.

"We are at a crisis point," said General Barry R. McCaffrey, commander in chief of the U.S. Southern Command here.

"In the past five years, we have turned over 500 buildings and 16,000 acres, and in the next five we will have to turn over 5,000 buildings," he continued. "There are 77,000 acres of land. History will hold us jointly accountable for the patrimony of Panama. We are in an emergency situation."

The fear is that the installations, with their manicured lawns and barracks, schools, hospitals, command centers, airfields and hangars, used for more than eight decades to protect the Panama Canal and project U.S. power in the Western Hemisphere, will fall into disrepair through negligence and a lack of planning and resources.

While Panama's ability to operate the canal is not in doubt — it is already largely run by Panamanians — the question of the country's ability to finance the $500 million annual operating budget could loom larger if the surrounding properties are not well administered.

"The canal is 80 years old and needs a lot of repairs all the time," said a U.S. official involved in the process. "If the properties go to seed, there is fear Panama will be shortsighted and kill the goose that lays the golden egg."

One of the biggest problems the Panamanian government faces is the cost of maintaining the facilities, or of tearing them down to replace them with tourist hotels or expanded port facilities. Estimates of the properties' value range as high as $32 billion.

"It is hard to assess what they are really worth," a U.S. official said. "But they are not worth a damn thing if not maintained."

The U.S. military spends $80 million a year here — $30 million in utility bills to keep things running in the humid tropical climate, and $50 million on maintenance.

The Panamanian government cannot afford this unless it turns the facilities into money-making endeavors. Operating profits by all accounts are limited. Higher tariff rates would mean loss of tonnage to ships that would instead round South America or or to land transit across the United States.

No care has been given to the once-beautiful buildings that used to house the School of the Americas, a training center for Latin American officers. Turned over in 1984, the buildings have been stripped of everything, down to the electrical wiring.

The railroad that used to serve the former Canal Zone is also in disrepair, and squatters are moving into housing turned over to the Panamanian government.

The Coco Solo health clinic on the Atlantic side of the isthmus, however, has continued to function since it was turned over.

While getting the U.S. military to leave was the theme of Panamanian nationalists before the treaty was signed, the government here repeatedly has postponed taking over even the most valuable areas and is trying to get the U.S. forces to stay longer.

Several recent polls indicate that an overwhelming majority of Panamanians now wants the United States to retain the bases, in large part because the facilities are a major employer here and those who work on the bases make far more than they would elsewhere in Panama.

But the U.S. military, cutting back bases in the United States and around the world, has no intention of staying.

"We will be gone, as the treaty stipulates, by noon, December 31, 1999," a U.S. officer said. "We have economic pressures of our own to move out, and we will. The question is how to ensure the Panamanians use the properties successfully and minimize the adverse economic impact."

Bruce Young/Reuter

Mickey Kantor, U.S. trade representative, holding a Del Monte can and a Chinese copy.

TIES: *Washington Sees Worsening Relations With China on Range of Issues*

Continued from Page 1

crackdown, new military threats against Taiwan and a new flow of Chinese missiles and other weaponry to nations such as Iran and Pakistan.

"There is no question we are having some difficult problems right now in certain areas," said Winston Lord, assistant secretary of state. He added that the troubles were "partly related to the domestic political situation in China."

Mr. Lord listed in particular human rights, trade issues, nonproliferation issues and Taiwan, but he noted later that Washington remained optimistic that it could keep making headway on less sensitive issues such as alien smuggling and narcotics control with Beijing.

Other senior U.S. officials said they feared that a key test for all who aspire to replace Mr. Deng, including those in Mr. Jiang's group, would be how firmly they stood up to Washington.

With Mr. Deng gone, "it will be harder for pro-Western people to speak out as openly, and easier for strong nationalists to assert themselves," predicted an official who closely follows Chinese matters.

Some signs of new political repression are already evident, according to the latest State Department report on China's human-rights record. It noted that Beijing tightened controls in 1994 on unauthorized speech, publications, assembly and associations, while moving swiftly during the post-Deng era is uncertainty about how long Mr. Jiang will remain in power and what type of government his successor might produce. The outcome, officials said, could determine whether China remains a peaceful power or becomes a strategic enemy of the United States.

The range of alternatives that to "cut off organized expressions of protest or criticism."

Unlike the period before the massacre of protesters in 1989, when the Beijing government was deeply divided about how to deal with the initial stirrings of public dissent, there is now a strong consensus in the new regime favoring an early clampdown, a U.S. official said.

Set against the backdrop of a continuing military buildup in China, some U.S. experts have asserted that Mr. Deng's passing leaves Washington with little influence in a nation with an increased likelihood of causing mischief in its immediate neighborhood.

Complicating Washington's effort to find some leverage attract speculation in Washington was articulated late last year in a study of China's future organized by the Office of Net Assessment at the Pentagon, which is closely watching the Chinese leadership succession.

One-third of a 13-member expert panel predicted Beijing would retain a stable, collective leadership, pursuing its present course of modest reform and gradually increasing its military capability. It could intervene militarily to prevent a declaration of independence by Taiwan and possibly one day go to war to defend its claim to rich oil fields beneath the Spratly Islands in the South China Sea.

A smaller portion of the panel predicted that radical reformers would seize control, fulfilling Washington's long-held dream that China would become a fellow, nonthreatening superpower.

But half the group predicted instead that China would eventually disintegrate, possibly because of economic disparities between coastal and inland regions and internal frictions provoked by the rise of a new authoritarian leader with a belligerent foreign policy.

TRADE: *China Reacts Defiantly*

Continued from Page 1

H. Brown, said Sunday that he was "very hopeful" of an agreement with China to avert a trade war over intellectual property piracy, Agence France-Presse reported from Jerusalem.

["There is always a chance for an agreement, and I'm very hopeful that there will be agreement," Mr. Brown said during a visit to Israel.

["We never stop wanting to engage the Chinese and others with whom we are having a dispute," added Mr. Brown, who led a major American trade investment mission to China in May.]

On Sunday, the Communist Party newspaper, People's Daily, and most other papers ran the same Xinhua press agency items saying that Washington had ordered crippling tariffs on Chinese exports and that "sovereignty and national dignity" demanded countermeasures, Reuters reported from Beijing.

"Resorting to pressure and reprisals won't help solve problems," said the main People's Daily headline.

Officials and business people in Beijing and in Hong Kong, the main conduit of China trade, urged both sides to compromise, and some appeared to believe there would be a last-minute compromise.

"It's a typical case of dragging the negotiations on until the last minute," said Donald St. Pierre, chose China Automotive Components Corp. brokers joint ventures between U.S. and Chinese carmakers.

"I am fully confident the issue will be resolved before February 26 — and probably sooner," he told Reuters in Beijing.

Yet, other analysts said they believed that China's leaders, maneuvering for position as Mr. Deng fades from power, appear to have little room to grant U.S. concessions, even if they were willing. While Beijing concedes it has problems outlawing intellectual piracy, it insists on finding solutions on its own terms.

■ **Effect in the U.S.**

David E. Sanger of The New York Times reported from Washington:

American consumers will be among the first victims of the trade dispute. Under the rules published Saturday, for example, the U.S. Customs Service would be required to put a $100 tax on every $50 Chinese-made bicycle imported to the United States.

Over the last few weeks, however, American officials have been pruning the list of products selected for retaliation, focusing on goods produced in several other nations as well, so that American consumers could choose, for example, a Japanese- or British-made bicycle that is not subject to the tariffs.

They have also avoided products where the tariffs seemed especially likely to hurt American business, including two of China's biggest exports here, toys and electronic goods.

The current dispute has begun to eclipse Washington's long-running trade disagreements with Japan. Through the first 11 months of 1994, the United States imported $36 billion worth of products from China while exporting $8.5 billion worth of goods there.

Last year, the American trade deficit with China climbed to $30 billion, roughly half the size of the deficit with Japan — and U.S. businesses say that piracy of American "intellectual property," particularly copyrighted material such as movies and music, has contributed to the trade imbalance.

G-7: *Chastened by the Mexican Crisis, Finance Ministers Try to Tame Monetary Tidal Waves*

Continued from Page 1

in much smaller doses dependent on firmer policy commitments.

"One could argue whether this was the appropriate decision," Hans Tietmeyer, president of the Bundesbank, said, "but it has been taken."

Bonn feared that Mexico would leave little Fund resources for Russia and Ukraine, whose instability worries Europeans as much as Mexico's worries Americans. The Seven gave Mr. Rubin the difficult task of discussing economic reforms with Russian officials at the regular Fund spring meeting.

There is no lack of suggestions for ways to anticipate, track and even police the huge flows of private investment that have become the principal source of growth for developing countries — and their greatest worry, as they seek first to attract the money and then hold on to it. But all raise as many questions as they answer.

Eddie George, governor of the Bank of England, said banking regulators ought to monitor the buildup of short-term debt in order to forestall another crisis like Mexico's — but this is hardly original and was first mooted in 1982 after the last Mexican financial crisis, when Mexico could not pay its bank creditors.

Michel Camdessus, the IMF managing director, said that the Fund might need more money to handle future crises. C. Fred Bergsten, director of the Institute for International Economics in Washington has proposed a more specific safety net, with $100 billion pledged by many nations according to a formula worked out in advance. The plan seeks to forestall currency crises and also to avoid haggling during the panic over each nation's role and burden.

But one senior European central banker defined the dilemmas posed by these proposals: "You could have more surveillance by the IMF to spot crises before they occur, but who would have the muscle to apply to governments to stop them? And increasing the capital available to international institutions might only increase the risk of more countries following lax policies because they knew there was more money to bail them out."

TOMB: *Greeks Say 'No'*

Continued from Page 1

supported the claim by Mrs. Souvaltzi, now says he is less sure about the find.

"It is an important discovery," Mr. Noureddin said, "but we have to be a bit careful. We must wait for further study and a reconsideration of the text."

It was not the first time Mrs. Souvaltzi has made this claim. Three years ago, she wrote an article in an Egyptian magazine published by Cairo University in which she said that the same structure was the tomb of Alexander. That report was dismissed by senior archaeologists in Egypt and Greece.

"I have no reservations," Mrs. Souvaltzi said in a statement Saturday. "This is Alexander's tomb. There is no doubt."

Mrs. Souvaltzi, who has an archaeology degree from the University of Athens, is financed in her work by her husband. She has been excavating in the area around the oasis of Siwa for the last four years.

Mrs. Souvaltzi, who says she has received mystical guidance in her search, in part from snakes, said three tablets she had unearthed in front of what she said was Alexander's crypt provided the archaeological proof.

One of the tablets, she said, was written by Alexander's lieutenant, Ptolemy I, and affirmed a legend that Alexander had been poisoned. Another tablet, she said, was left by the Roman emperor Trajan, who she said had paid his respects at the burial site.

The inscriptions on the tablets, broken into pieces, were translated by Mrs. Souvaltzi's husband, who has no formal archaeological training.

The Greek team said that, from the fragments they were shown, the tablets did not appear to support Mr. Souvaltzi's translations. They also said they did not see the eight-point Macedonian star that Mrs. Souvaltzi says she found.

BUSINESS AS USUAL — Peruvian farmers carrying bags of onions into Ecuador, across the Aguas Verdes, despite a ban on movement in the disputed border area. Cease-fire talks on the border conflict were suspended Sunday without agreement.

BOSNIA: *Croat-Muslim Accord Calls for Mediation*

Continued from Page 1

customs fees and the rotation of the federation's presidency.

U.S. analysts had concluded privately that "the fault lies primarily though not exclusively on the side of the Croatians," an official said. Under the agreement Sunday, such disputes can be submitted to a mediator, who very likely will be chosen by the United States and will have authority to impose a solution.

"It's very significant that both sides agreed to binding arbitration and that they didn't try to restrict the scope of the arbitration," said Peter Galbraith, the U.S. ambassador to Croatia. "The stronger the federation, the stronger will be those who've been the victims of Serbian aggression."

Senator Joseph I. Lieberman, Democrat of Connecticut and one of three U.S. senators who attended the meeting along with Defense Secretary William J. Perry, said the federation represented "the best hope for restoring some multiethnic society in Yugoslavia."

U.S. officials emerged from the meeting looking immensely relieved since it is widely assumed, as Senator Sam Nunn, Democrat of Georgia, put it, that "a breakup of the federation would be a disaster."

But prospects for a comprehensive peace in Bosnia still look dim. The Croatian-Muslim federation controls only 30 percent of Bosnia; the Serbs control the rest and are unwilling to see the country divided evenly.

Moreover, Croatian leaders in Zagreb continue to stick by a decision to expel the United Nations peacekeepers now separating Croatian forces and a breakaway Croatian Serbian enclave. Western officials fear that the extraction of those UN troops would lead to war between Croatia and Serbia.

Croatian and Muslim leaders sought Sunday to put a positive gloss on the reaffirmation of their alliance. Foreign Minister Mate Granic vowed that Croatia would not cut a separate Bosnian deal with Serbia at Muslims' expense.

Prime Minister Haris Silajdzic of Bosnia said the most pressing task now was to seek a durable peace in the three months left before the current cease-fire expires.

■ **Sarajevo Airport Deal Set**

Bosnia's warring factions agreed Sunday to open road access to Sarajevo's airport to civilians as the people of the besieged city marked the first anniversary of a market massacre that galvanized international will to intensify peace efforts, Reuters reported.

Indonesia Sentences 2 Islamic Extremists

The Associated Press

JAKARTA — Two activists of an obscure Islamic sect have been sentenced to prison — one for 13 years and the other for 9 — for supporting a rebel movement to turn a province into an Islamic state, the Antara press agency reported.

A district court found M. Amin Imidan, 52, and Syamsul Bari Mohammed, 19, guilty of supporting the Free Aceh Movement.

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INTERNATIONAL

BOMBAY: *Slums for the Yuppies*

Continued from Page 1

mecca for millions of villagers lured by dreams of a better life.

For a nation where the average annual per capita income is $290, the real-estate explosion in its most populous city is creating greater gaps than ever between its haves and have nots. Already, 5.5 million of Bombay's 12.5 million residents live in its 35 slum districts.

"There is a great danger of Bombay becoming a city of the super rich and the super poor," said Nasser Munjee, director of the Housing Development Finance Corp. "The market is affecting everybody."

In addition, hundreds of businesses and tens of thousands of middle-class residents are fleeing the city for newly emerging suburban centers.

The real estate boom also has attracted the attention of the organized crime. With the government cracking down on traditional gold and diamond smuggling, underworld chiefs are turning to the city's newest gold mine — development and real estate. In the last year, three prominent businessmen have been gunned down in what police say were underworld disputes over real estate.

Of all the upheaval created by the property price boom, none has been more controversial than the emerging gentrification of the Dharavi slum. An estimated 600,000 people are crammed into 430 acres of ramshackle huts. The shanties are so close together and the alleys are so narrow that from the air, the earth appears to be shingled with a ragged patchwork of rusty corrugated metal.

A decade ago, Rajiv Gandhi, then prime minister, launched a program to construct apartment buildings in Dharavi for slum dwellers. Today, his vision has become a victim of the dramatic escalation in real estate prices. The Dharavi slum, built on a turn-of-the-century city garbage dump, now sprawls over some of Bombay's most centrally located real estate.

When the first slum dwellers signed up for the Gandhi program, the one-room, 180-square-foot apartments cost $1,354 each — a hefty amount for families that generally live on a few dollars a week. Today, the same apartments have tripled in value.

For some participants, the cost of the subsidized housing escalated before their apartments were finished, forcing them to sell their units because they could not afford the increased payments. Others simply found the lure of a quick profit too attractive to pass up, even though the program technically forbids the resale of the apartments to outside buyers.

Now, with the Gandhi construction program far from finished, the building costs have become so prohibitive that the government is allowing private developers to construct the buildings and sell a percentage of the units to higher-income residents as a way of offsetting the cost of housing the poor.

"It's a racket," said A. Jockin, president of the National Slum Dwellers Federation, who estimated that 30 percent of the Dharavi slum residents who bought the subsidized apartments have resold them — usually to higher-income families. "The poor person is selling at what cost? He is not improving the quality of his life. He goes back into the slum because he can't afford anything else."

Because retail space in the central city has become so expensive, shop owners have been pushed into the slums, setting up rows of chic boutiques selling trendy leather jackets and handbags. Along one strip, upper-middle-class women draped in silk saris browse through air-conditioned shops, while across the street, women who live in the slum carry baskets of dried cow dung on their heads to fuel their cooking fires.

But there is another side to the Bombay real estate crisis. Developers blame the city's strict rent control laws, restrictive development policies and poor land management for the problems.

While Mr. Ramachandran, a bachelor television director, cannot find affordable housing outside the Dharavi slums, Ahmed Khan, a taxi driver, has a large, two-level apartment housing 21 members of his extended family, with four parking spaces, in one of the city's poshest districts. His rent is $2.50 a month — barely 12 cents per resident. His family has lived in the apartment since 1959, and the city's rent-control laws make it virtually impossible for the landlord to evict them or raise their rent.

"The laws strangulate rather than regulate," said Niranjan Hiranandani, one of the city's pioneering suburban developers. "Overregulation has caused this tremendous rise in prices."

Even the suburbs have gotten too expensive for many. Mr. Hiranandani is developing a planned community, complete with office and residential complexes that include fancy clubhouses, swimming pools and gardens.

But he said his 300-acre (120-hectare) project 90 minutes from central Bombay is also being hit by the real-estate boom, with prices increasing tenfold since he started the project in 1987. "The lower middle class is no longer able to buy there," Mr. Hiranandani said. "It's now the middle, upper middle and the rich."

Both the central city and suburban real estate frenzies have sparked violent battles involving land sharks and criminal gangs.

Some of the most vitriolic disputes have involved 50 aging textile mills that occupy 500 acres of prime real estate in the center of Bombay. Most of the mills are losing money. The government has only recently allowed the owners to sell them, and then only with the approval of the workers, represented by powerful unions.

Organized crime has infiltrated the unions, promising members that they will win more lucrative deals from mill management. Once the unions vote to allow textile owners to close the mill, the gang leaders then arrange for management to sell the land to companies controlled by their organizations.

"The mafias are brought in to frighten the workers," said Meena Menon, 41, a leader of the Closed Mill Workers Action Committee, an organization that attempts to help protect mill workers' rights.

Many developers, business leaders and social workers predict Bombay's real estate wars will become worse in the coming years unless the government revamps its arcane land-use policies.

"The city needs a vision," said housing finance executive Nassar Munjee, a participant in Bombay First, a new nonprofit group organized to promote Bombay as a commercial center. "We have economic liberalization, but we have no vision of where we're going."

How Bombay Compares

City	Cost of living index: Based on U.S. = 100	Annual office rent: Per sq. ft., in U.S. $	Value of prime real estate purchased: Per sq. ft., in U.S. $: Commercial	Residential
Bombay	99	$80.00	$1,100	$990
New York City	108	$31.25	$240	$300
Washington, D.C.	N/A	N/A	$250	$210
Hong Kong	148	$96.31	$2,225	$820
Singapore	156	$7.00	$940	$560
Tokyo	N/A	N/A	$3,560	$1,450

Note: based on 1994 figures

Sources: Fortune Magazine, Housing Development Finance Corp. of Bombay, Cassady & Pinkard Inc., Washington Post, Lusk

WP

China's Destiny Not for Deng, Daughter Says

The Associated Press

PARIS — China's destiny is already in the hands of Deng Xiaoping's successors, according to the Chinese leader's daughter. But she said her father was in good health for a 91-year-old.

Deng Maomao, also known as Deng Rong, said that she hoped foreign nations would shift their attention to her father's successors. She was in Paris to promote her book, "Deng Xiaoping My Father."

Asked why Mr. Deng had not appeared on Chinese television for the lunar New Year, as is customary, she said her father had already retired. "The destiny of China is now in the hands of the new team," she said. "I hope our foreign friends can show more concern for the new team."

Grenade Kills 2 Filipinos

The Associated Press

MANILA — Two people were killed and 16 wounded in a grenade attack Sunday in a market in suburban Quezon City, the police said. Investigators were seeking witnesses.

BOOKS

MASTERS OF DECEPTION: The Gang That Ruled Cyberspace

By Michelle Slatalla and Joshua Quittner. 225 pages. $23. Harper Collins.

Reviewed by Christopher Lehmann-Haupt

IT'S difficult to feel much besides amused admiration for the computer hackers spotlighted in "Masters of Deception: The Gang That Ruled Cyberspace," by Michelle Slatalla and Joshua Quittner, a married couple who are reporters for Newsday.

After all, what mainly characterizes the gang of adolescents they write about is high intelligence, infinite resourcefulness and boundless curiosity.

Among the Masters of Deception, as the gang is called, there is Paul Stira, nicknamed Scorpion, who as a child learned to program a computer even before he had held one in his hands and went on to master the art of cracking computer-game copy-protection codes.

Mark Abene, aka Phiber Optik, was so driven to understand how machines work that he explored and mastered the most sophisticated of the telephone company's computers.

Eli Landopoulos, or Acid Phreak, after helping lure Phiber Optik away from a rival cyberspace gang, Legion of Doom, was moved to write "The History of MOD" for other hackers to envy. And John Lee, or Corrupt, found computer hacking a better way to survive than running with a street gang.

It is difficult for the reader of this book to look upon these and other members of the gang as criminals. Yet they were eventually charged by a New York grand jury for conspiring to "gain access to and control of computer systems in order to enhance their image and prestige among computer hackers," among other counts.

And they ended up pleading guilty and serving jail terms, which they have completed.

The authors begin by describing a crash of the AT&T long-distance system that occurred Jan. 15, 1990.

The lively narrative then backtracks to tell how the hackers formed their gang the previous year. This sequence creates the impression that the gang will turn out to have caused the crash, an expectation that is buttressed by other evidence that Slatalla and Quittner describe.

The boys crashed smaller systems they invaded, like the Learning Link, a collection of electronic bulletin boards for educators and librarians that is owned by Channel 13/WNET, New York City's public broadcasting television station. The gang left the message "Happy Thanksgiving you turkeys, from all of us at MOD," which prevented access to the bulletin board's files. As the authors write, "The Learning Link crash would become the pivotal event in the case that the federal government was slowly building against the boys in MOD."

The process was slow because the investigators had to weigh the need for evidence against the risk of damage.

But when, about half way through the book, the narrative arrives back at the AT&T crash of 1990, we learn that the failure was traced not to anything the hackers did but to what the authors describe as "a routine update of the AT&T software."

True, the gang did much that was wrong, like creating and using unbillable telephone accounts, trespassing in cyberspace to make long-distance calls, looking up private information and using it to harass other hackers and stealing and selling credit card numbers.

In short, certain members crossed the line between hacking and cracking and thereby violated the hacker ethic, which holds, in the authors' words: "Thou shalt not destroy. It's O. K. to look around, but don't hurt anything. It's good enough just to be here."

Yet the fact remains that the gang did not cause the AT&T crash. And the worst that was done appears to have happened at a remove from what Abene was responsible for, and after Stira had more or less withdrawn from hacking. Yet these two received the stiffest sentences.

So one has the impression that what mattered to the government was less the mischief done than the potential for mischief.

What the slightly jumbled narrative does capture effectively is the contrast between the manic glee of the hackers at the prospect of a vast new unexplored world to conquer, and the government's nervous disapproval and understandable need to set limits on a mysterious new frontier.

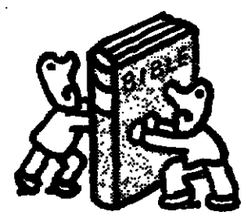
Christopher Lehmann-Haupt is on the staff of The New York Times.

WHAT THEY'RE READING

● **Jesús de Polanco**, publisher of Spain's leading daily, El País, is reading, "*El Desafío Oscurantista: Etica y Fe en la Doctrina Papal*," by Paolo Flores D'Arcais.

"It's a documented and critical vision of religious fundamentalism by a brilliant agnostic thinker. The book analyzes, in a very combative manner, the ideas of Pope John Paul II."

(Al Goodman, IHT)



BRIDGE

By Alan Truscott

SIXTY years ago there was a young actress in New York City named Ann Gallagher. She like to play bridge, and became famous for her treatment of a two-way finesse for a queen. When her first finesse succeeded, she repeated it in the opposite direction, giggling a little and announcing: "Now I'll find out if I'm *really* lucky."

The Ann Gallagher finesse ceased to be just comical two decades later when the diagramed deal surfaced, vindicating her weird concept of a bothway finesse. South lands in four hearts and the spade king is led to dummy's ace. South's best play is to lead a low trump and finesse the jack, hoping to lose to the queen quickly and stay in control.

If West takes the queen, South will be able to draw trumps and make at least ten tricks with no trouble. But a shrewd West will duck smoothly, subjecting South to temptation.

If South then leads to the king, he will be defeated whatever he tries. The safe play, giving credit to West for good defense, is to finesse against West this time, which does make 11 tricks. If East has a doubleton or tripleton queen of hearts, he is welcome to take it, since a trump will remain in dummy to deal with a spade lead. And of course if East has four trumps, a discard from West will reveal the fact.

Ann Gallagher rides again.

NORTH (D)
♠ A
♡ K 3 2
◇ K 7 6 5
♣ A K Q J 2

WEST
♠ K Q J 10 9
♡ Q 7 5 4
◇ 10
♣ 4 3

EAST
♠ 4 3 2
♡ 6
◇ A Q J 9 8 3
♣ 9 8 7

SOUTH
♠ 8 7 6 5
♡ A J 10 9 8
◇ 2
♣ 10 6 5

Neither side was vulnerable. The bidding:

North	East	South	West
1 ♣	1 ◇	1 ♡	1 ♠
2 ♠	Pass	3 ♣	Pass
3 ♡	Pass	4 ♡	Pass
Pass	Pass		

West led the spade king.

CAPITAL MARKETS ON MONDAY

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Feb. 3. Prices supplied by Telekurs.

Rnk	Name	Cpn	Maturity	Price	Yield
	Austrian Schilling				
187	Austria	7½	01/24/05	98.5000	7.6100
	Belgian Franc				
191	Belgium	7	04/29/99	97.6000	7.1700
203	Belgium T-bills	zero	04/27/95	98.1885	7.7000
	British Pound				
120	Japan Dev. Bk	9⅛	01/31/05	100.5000	9.0800
	Canadian Dollar				
205	Canada	6½	06/01/04	83.2500	7.8100
214	Canada	6¼	02/01/98	93.7000	6.7400
	Danish Krone				
1	Denmark	7	12/15/04	87.5800	7.9900
17	Denmark	9	11/15/00	101.0600	8.9000
22	Denmark	9	11/15/98	101.6500	8.6550
33	Denmark	8	05/15/03	95.0000	8.4200
37	Denmark	6	12/10/99	90.2500	6.5400
[illegible]	Denmark	9	11/15/95	102.3000	8.8000
57	Denmark	8	03/15/06	92.2500	9.5700
62	Denmark	9	11/15/95	101.4800	6.8700
74	Denmark	9¾	02/10/95	100.0500	9.7500
85	Denmark	zero	04/03/95	99.1563	5.0300
86	Denmark	9¾	08/10/95	101.4000	9.1200
91	Denmark	6¼	02/10/97	97.6500	5.4000
123	Denmark T-bills	zero	07/03/95	97.7561	5.5600
127	Denmark	5¼	06/10/95	97.5000	5.3800
152	Denmark tbill	zero	10/03/95	95.9505	6.4100
199	Denmark	7	11/10/24	77.5500	9.0300
212	Denmark	8	11/15/01	95.8500	8.3500
225	Denmark	7	02/15/97	99.9500	7.1500
	Deutsche Mark				
1	Germany	7½	01/03/05	99.4225	7.4200
2	Germany	5	01/21/02	102.7840	7.7800
3	Treuhand	7½	09/09/04	100.0133	7.5000
5	Germany	8¾	12/20/95	102.5900	8.5300
6	Germany	7½	11/11/04	100.1860	7.4900
7	Germany	8¼	09/20/01	104.1900	7.9200
8	Germany	8½	03/20/96	102.8500	8.2600
10	Germany	6¾	07/15/04	95.1329	7.1000
11	Treuhand	6¼	03/04/04	91.9560	6.8000
13	Germany	6½	01/20/98	99.6057	6.6500
14	Germany	8⅝	02/20/96	102.8200	3.3900
15	Treuhand	6⅝	07/01/99	97.2300	6.5600
16	Germany	6¼	07/04/24	81.9933	7.6200
17	Germany	9	10/20/00	107.7200	8.3500
21	Treuhand	7	11/25/99	99.6675	7.0200
23	Germany	7½	10/20/97	101.8500	7.3600
24	Germany	6	09/15/03	99.6338	6.6200
25	Germany FRN	5.28	09/30/04	99.8600	5.3412
26	Germany	8¾	05/20/01	106.6500	8.2000
29	Treuhand	7¾	10/01/02	101.3800	7.6400
30	Germany	8⅝	01/20/97	103.5393	8.0900
31	Germany	8⅝	02/20/01	105.4763	8.0600
32	Germany	8	07/22/02	102.7980	7.7800
33	Treuhand	6	11/12/03	90.6229	6.6300
34	Treuhand	6⅞	05/13/04	95.0800	7.1000
39	Germany	9	01/22/01	107.8500	8.3400
40	Germany	8	03/20/97	102.9117	7.7700
43	Treuhand	5¾	04/29/99	95.2000	6.0400
44	Germany	6⅞	12/02/98	99.4525	6.9100
46	Germany	7¼	10/20/97	101.2660	7.1600
47	Germany	8⅜	05/21/01	104.8133	7.9900
48	Germany	8¼	01/22/96	102.2400	7.9500
49	Germany	6½	07/15/03	93.8700	6.7200
50	Treuhand	5⅝	09/24/98	95.7686	5.8700
51	Treuhand	6¼	07/29/99	96.7567	6.4600
52	Germany	8	09/22/97	103.0520	7.7600
55	Germany	8½	04/22/96	102.9500	8.2600
58	Germany	8½	08/20/96	103.3600	8.2200
59	Germany	7	12/22/97	100.6500	6.9500
60	Treuhand	6⅝	07/09/03	94.5000	7.0100
63	Germany	6	06/20/16	81.0063	7.4100
66	Germany	8¼	07/21/97	103.5680	7.9700
67	Germany	8½	09/20/96	103.4286	8.2200
70	Treuhand	6⅛	03/26/98	98.0550	6.2500
72	Germany	8⅞	01/22/96	102.9100	8.6200
75	Treuhand	5	01/14/99	93.3400	5.3600
76	Germany	8¾	05/22/95	101.0000	8.6600
77	Germany	6⅜	08/14/98	98.1800	6.4900
78	Germany	5¼	10/20/98	94.4286	5.5600
80	Germany	6¼	05/20/99	96.4133	6.3500
83	Germany	8⅞	07/20/95	101.5300	8.7400
85	Sweden FRN	5⅛	02/01/00	99.8600	5.1300
90	Germany	7⅛	12/20/02	97.9183	7.2800
92	Treuhand	6⅞	06/11/03	96.0000	7.1600
95	EIB	7¾	01/26/05	100.9500	7.6800
97	Germany	9	10/20/95	102.3488	8.7900
99	Germany	6¾	04/22/03	95.4543	7.0700
100	Germany	5⅝	02/22/99	94.2425	5.7000
101	Treuhand	5	12/17/98	93.5200	5.3500
102	Treuhand	6½	04/23/03	93.8500	6.9300
103	Germany	7¼	01/20/00	100.8633	7.1900
105	Germany	5¾	08/20/98	96.3171	5.9700
106	Treuhand	7⅜	12/02/02	99.3271	7.4200
114	Germany	8⅞	12/20/00	107.3200	8.2700
121	Treuhand	6⅛	06/25/98	97.6600	6.2700
122	Germany	6⅛	05/20/98	98.5600	6.4700
124	Ontario FRN	5.09	01/27/00	99.8000	5.1100
135	Germany	6	02/20/98	97.8780	6.1300
136	Germany	8	05/02/02	102.3000	7.8200
141	Bundespost	7¾	10/01/04	100.6713	7.7000
145	Germany	7¼	10/21/02	98.8500	7.3300
157	Germany	8⅝	05/22/95	100.9700	8.5400
159	LB Rh-Pf Fin	7¼	02/03/99	100.8451	7.1900
162	Germany	6¾	05/02/03	94.7100	7.1300
167	Germany	6½	02/20/97	100.2550	6.4800
172	Germany	6¾	07/20/95	100.6200	6.7100
175	Germany	6½	05/20/97	99.7240	6.3900
179	Germany	7¾	02/21/00	102.5700	7.5600
181	Germany	6¼	09/15/99	98.6000	6.8500
182	Germany	5¾	08/20/97	98.1000	5.8600
185	Treuhand	7⅛	01/29/03	97.7625	7.2900
193	Germany	7⅛	12/20/99	100.4800	7.0900
202	KFW Int'l Fin	7½	01/24/00	101.3949	7.4000
206	Germany	6¾	06/21/99	98.9667	6.8200
207	LB Sch-Hol FRN	5.01	01/29/98	99.9500	5.0181
220	World Bank	5⅞	11/10/03	89.1300	6.5900
229	Germany	5¼	11/20/97	96.5500	5.4400
234	Germany	8½	08/21/00	105.6000	8.0500
242	Baden Wuertt	7½	10/22/04	99.3000	7.5500
246	Germany	6⅜	01/20/98	98.9800	6.4400
	Dutch Guilder				
18	Netherlands	7¼	10/01/04	97.4000	7.4400
54	Netherlands	5¾	01/15/04	88.3500	6.5100
73	Netherlands	6¼	07/15/98	97.5000	6.4100
88	Netherlands	7½	06/15/99	101.1500	7.4100
104	Netherlands	7	02/15/03	96.9000	7.2200
111	Netherlands	8¼	09/15/07	103.6500	7.9600
112	Netherlands	7½	01/15/23	94.8300	7.9100
139	Netherlands	8¼	06/15/02	104.1500	7.9200
148	Netherlands	9	05/15/00	107.1000	8.4000
153	Netherlands	8¾	09/15/01	106.5500	8.2100
155	Netherlands	6½	04/15/03	93.9500	6.9200
156	Netherlands	6½	01/15/99	97.8800	6.6400
173	Netherlands	7½	11/15/99	101.1500	7.4100
194	Netherlands	6	05/15/96	99.9000	6.0100
196	Netherlands	7	05/15/99	99.3500	7.0500
201	Netherlands	6½	04/15/96	100.5000	6.4700
211	Netherlands	9½	03/15/01	105.1000	8.0900
217	Netherlands	6½	07/15/98	98.2500	6.6200
235	Netherlands	9	07/01/00	107.1000	8.4000
	ECU				
12	France BTAN	5	03/16/99	89.1500	5.6100
28	France OAT	6	04/25/04	84.2500	7.1200
41	UK T-note	5¼	01/21/97	95.6250	5.4900
45	UK T-note	7	01/27/98	99.8750	8.0100
53	France BTAN	7¼	03/16/98	98.0100	7.4000
108	France OAT	9½	04/25/00	104.9000	9.0600
110	France OAT	6¾	04/25/02	90.9500	7.4200
119	UK T-note	8	01/23/96	100.8750	7.9300
130	Italy	6¼	02/21/99	90.0000	6.9400
160	France OAT	8	04/25/03	97.1500	8.2300
169	Italy	11.90	09/26/95	100.4000	11.8500
171	France OAT	8½	03/15/02	100.0000	8.5000
180	UK T-bills	zero	06/15/95	97.9167	5.9500
166	EEC	6	11/03/00	89.8750	6.6800
188	Britain	9⅛	02/21/01	102.8750	8.8700
192	UK T-bills	zero	02/16/95	99.7540	4.3700
195	Finland	8½	02/13/07	96.1250	8.8400
200	UK T-bills	zero	05/11/95	98.0237	7.7200
209	Italy	8½	01/24/00	96.9075	8.7700
210	EIB	10	01/24/01	106.7500	9.3700
215	Belgium	9⅛	03/18/96	101.8750	8.9600
222	Italy	9¼	03/07/11	96.7500	9.5600
233	France OAT	10	02/26/01	107.3350	9.3200
238	Finland	10¼	10/02/95	101.8750	10.0600
240	UK T-bills	zero	04/13/95	98.8893	5.9100
	French Franc				
98	France OAT	8½	04/25/03	102.8000	8.2700
125	France OAT	6	10/25/25	73.3500	8.1800
132	France OAT	7½	04/25/05	95.8600	7.8200
151	France BTAN	6½	10/12/96	99.1200	6.5600
165	Finland	8½	04/25/05	100.6250	8.4500
231	France OAT	9½	01/25/01	107.5000	8.8400
248	France BTAN	7	11/12/99	97.0500	7.2100
	Japanese Yen				
81	World Bank	4½	12/22/97	102.7500	4.3800
89	World Bank	4½	06/20/00	101.3750	4.4400
109	World Bank	4½	03/20/03	99.0000	4.5500
119	World Bank	4¾	12/20/04	100.2500	4.7400
146	Ireland	4.80	01/05/05	99.7000	4.8100
149	Abbey Nat'l TS	3.10	12/30/96	99.5750	3.1100
166	World Bank	5¼	03/20/02	103.8750	5.0500
176	Sweden	4⅝	02/04/98	102.5000	4.5100
197	Italy	3½	06/20/01	92.8750	3.7700
219	Japan Dev. Bk	5	10/01/99	104.0000	4.8100
227	Quebec	5.05	01/31/05	99.8930	5.0600
232	NSW Treasury	3.90	02/02/00	96.3724	4.0500
241	Austria	4⅝	12/20/04	100.6250	4.7200
247	EIB	4⅝	02/26/03	99.7500	4.6400
	Portuguese Escudo				
115	Portugal FRN	13½	02/01/98	101.2500	13.3333
174	Portugal FRN	13½	02/15/99	101.2800	13.3293
	Spanish Peseta				
154	Spain	8	05/30/04	79.0000	10.1300
183	Spain	10¼	11/30/98	95.6200	10.7200
216	Spain	11.45	08/30/98	99.2500	11.5400
226	Spain	8.30	12/15/98	89.8700	9.2400
	Swedish Krona				
147	Sweden	6	02/09/05	70.7200	8.4800
245	SWD LB	10⅝	02/08/99	100.0064	10.6200
	U.S. Dollar				
9	Argentina FRN	6½	03/29/05	55.2500	11.7600
20	Brazil FLIRB L	4	04/15/14	44.3750	9.0100
27	Brazil FRN	7 5/16	01/20/01	79.3750	9.8400
36	Mexico par B	6¼	12/31/19	52.3750	11.9300
42	Argentina par L	4¼	03/31/23	42.8750	9.9100
56	Baden Wuertt	8⅛	01/27/00	100.3750	8.0900
61	Canada	6½	07/07/97	97.0000	6.7000
62	Mexico par A	6¼	12/31/19	52.3750	11.9300
64	Venezuela A	6¾	03/31/20	42.7500	15.7900
65	Korea Dev. Bk	8.65	01/26/00	100.6250	8.6000
69	Brazil EI LFRN	6 13/16	04/15/06	60.5000	11.0500
71	Venezuela FRN	7 11/16	12/18/07	44.0000	17.4700
79	Argentina FRN	7⅛	03/31/23	59.1250	12.0500
84	Mexico D FRN	7¼	12/28/19	68.5000	10.5800
87	Freddie Mac	7¾	01/27/97	100.2500	7.7300
93	Brazil L FRN	6¾	04/15/12	53.1906	12.6900
94	Mexico A FRN	6 13/16	12/31/19	68.5000	9.7600
96	Mexico B FRN	6.76	12/31/19	68.5000	9.8800
107	GrandMet	6½	01/31/00	100.0000	6.5000
113	ADB	zero	04/20/95	98.6077	6.7800
116	Venezuela B	6¾	03/31/20	42.7500	15.7900
117	Poland FRN	6 13/16	10/27/24	69.0000	9.8700
126	Bulgaria A FRN	7 5/16	07/28/24	44.0000	17.1875
128	Brazil par YL4	4	04/15/24	39.6250	10.0900
129	Mexico C FRN	6 13/16	12/31/19	68.5000	10.1300
131	Sweden	6½	03/04/03	89.8750	7.2300
133	Finland	7⅝	07/28/04	97.6250	8.0700
134	FEK	zero	02/27/95	99.0200	12.3000
137	Sweden FRN	5 13/16	02/08/01	98.7200	5.7600
138	Pepsico	8	12/28/97	100.0000	8.0000
140	LB Schlesw Hols	8¼	01/31/97	100.8750	8.1800
142	Exim Bk Japan	8¼	12/16/04	100.6250	8.2000
143	Bulgaria FRN	7 5/16	07/28/11	34.0000	22.2400
144	Mexico FRN	7 5/16	03/30/08	85.2038	8.5800
150	Sweden	zero	02/17/95	99.7586	5.6700
158	Brazil ZL FRN	6 13/16	04/15/24	58.6250	11.4100
161	Ontario Hydro	7¾	12/05/97	99.0000	7.8300
163	EIB	8¼	12/20/04	101.2500	8.1500
164	World Bank	7⅛	09/27/99	97.5000	7.3100
168	Bco Com Ext.	7¼	02/02/04	65.3750	11.0900
170	Poland par	2¾	10/27/24	34.7500	7.9100
177	Austria	8¼	01/05/05	101.1250	8.1600
178	Brazil par YL3	4	04/15/24	39.6250	10.0900
184	DSL Bank	8	01/28/97	100.5000	7.9600
189	AT & T	8¼	01/11/00	101.0000	8.1700
190	EIB	8	12/20/99	100.3750	7.9700
198	Nigeria	6¼	11/15/20	37.8750	16.5000
204	Italy	6⅞	09/27/23	78.8750	8.7200
208	Denmark	8	01/27/97	100.5000	7.9600
213	LKB FRN	5⅞	11/04/98	99.3700	5.9100
218	AB Spintab FRN	7 5/16	12/31/99	98.0201	7.7200
221	Finland	6¾	11/24/97	97.3750	6.9300
223	INI Finance	5¼	12/09/98	90.6250	5.7900
224	Bayer LB	7¾	12/19/97	99.8750	7.7600
228	World Bank	8¾	03/01/97	102.5000	8.5400
230	Poland	3¼	10/27/14	49.7500	6.5300
236	Brazil L FRN	6¾	04/15/09	57.0000	11.8400
237	Eurofima	7⅞	01/29/98	100.6091	7.8300
239	World Bank	9⅝	01/23/16	113.1250	8.6200
243	Britain	7¼	12/09/02	95.8750	7.5600
244	Sweden FRN	6 5/16	10/08/95	99.8800	6.1900
249	Amex Centurion	8⅛	01/31/97	100.2500	8.1000
250	Canada FRN	5 5/16	02/10/99	99.2100	5.6100

Mexico Deal Brings 'An Uneasy Calm'

By Carl Gewirtz
International Herald Tribune

PARIS — The $50-billion Mexican rescue package — unprecedented both for its size and the speed of its organization — has sowed about as much confusion in financial markets as it sought to alleviate.

To be sure, the deal has clearly improved the mood in Mexico as well as in other emerging markets. "But at best," observes John Lipsky of Salomon Brothers, "it's an uneasy calm."

By week's end, two broad measures of investor confidence registered no appreciable change: The U.S. dollar eked out a gain of only 0.8 percent against the Deutsche mark and 0.5 percent against the yen — largely on favorable domestic U.S. economic data — and the high risk premiums in European bond markets relative to Germany held virtually stable, indicating that the mark's status as a haven is intact.

Analysts say investors were unnerved by the urgency with which the Mexican package was organized. Also, comments from Michel Camdessus, managing director of the International Monetary Fund, that the crisis could have triggered "a true world catastrophe" have fanned fears that world financial markets have become much more risky than most observers have realized.

"The message," says Mr. Lipsky, is that "there was more of systemic risk than most investors had realized and this itself heightens uncertainty. It raises new doubts about the financial and economic outlook."

For Charles Wyplosz at the INSEAD Business School in Fontainbleau "it's a bungled message. Either it's a panic reaction and that's why there is no message, or it's a signal to countries which behave well that they will be rewarded for good behavior." If it's the latter, he adds, "governments should say it, otherwise the message is lost."

The message for Mexican peso was evident. It ended the week trading at 5.4 to the dollar compared to the early-week low of 6.50. But the dollar itself showed no sustained or substantial reversal. It ended the week at 1.5270 Deutsche marks, above its early-week new low for the year of 1.5010 DM, but not high enough to drive it above its current trading range.

For that to happen, says Paul Chertkow at Union Bank of Switzerland in London, the dollar needs to close above 1.5330 DM. In his view, trading volume in the foreign exchange remains excessively thin with the major corporate and institutional traders on the sidelines awaiting a clearer view of where the dollar is headed.

This leaves the market dominated by hedge funds and bank traders who buy and sell based on how the currency is moving rather than on a strong view regarding whether it's headed up or down, Mr. Chertkow observes.

While the report last week of a rise in the U.S. jobless rate in January gave the dollar a boost on the hope that rising interest rates were finally beginning to slow the economy, Avinash Persaud at J.P. Morgan in London warned that the latest data only represented a pause. "We're not yet at a turning point," he said. He sees the dollar peaking at around 1.53 DM and expects it to fall back to around 1.45 DM by mid-year.

But Norbert Walter at Deutsche Bank in Frankfurt sees the mark still benefiting from its status as a haven in a period of uncertainty rather than because of any underlying strength. The turn for the mark, he speculated, could be triggered by disappointment at the outcome of the current round of wage talks, or by inflation worries fed by more vigorous expansion.

Regardless of the reason that causes the turn, Mr. Walter sees the dollar more likely to be trading at 1.60 DM in six months rather than at 1.40 DM.

For now, says Malcolm Roberts at UBS, the dollar's failure to improve despite favorable economic data and last week's half-point increase in interest rates is dampening volatility in the foreign-exchange market, suspending generally bullish expectations for the dollar, and discouraging bond investors from committing cash.

Analysts agree that banks and hedge funds have little new liquidity to add to the market and that long-term institutional investors — although laden with cash — are as yet unwilling to commit new funds to the bond market.

This has left underwriters holding more inventory than they are comfortable with and reluctant to aggressively bid for new business. In addition, there is little arbitrage available, meaning that issuers of fixed-rate bonds have to want to hold the currency they issue in.

The only exception is in lire, where the latest vogue of short-dated, zero-coupon bonds enables issuers to end up with floating-rate dollars at an all-in cost of some 30 basis points below the benchmark interbank rate.

Despite the very modest amount of recent new issues, bankers report there is no large build-up of issuers waiting for more favorable conditions to tap the market. The only major international issue this week is expected to be a $500-million, 10-year bond from the International Finance Corp.

Wave of Auctions Unlikely to Stop Rally

Compiled by Our Staff From Dispatches

NEW YORK — The Treasury bond rally shows no sign of slowing down.

The price of the benchmark 30-year bond has gained 1.65 percent so far this year, and the market has shrugged off the Federal Reserve's seventh increase in interest rates in the past year by taking comfort in signs that the economy is slowing — and that therefore the Fed is done raising rates.

U.S. CREDIT MARKETS

Various traders anticipated strong bidding for the more than $67 billion in new securities that the Treasury plans to auction this week — including $17 billion in three-year notes Tuesday, $12 billion in 10-year notes Wednesday and $11 billion in 30-year bonds Thursday.

There also will be a cash management bill sold Thursday, the size of which has yet to be announced.

Some traders said bond prices were held back last week by anticipation of the auctions, which lessened demand for existing securities. The long bond ended last week up 1 9/32 point, or $12.81 per $1,000 bond, lowering its yield to 7.62 percent from 7.73 percent.

The auctions will dominate activity this week; the only important economic government statistic, the January producer price index, comes out Friday.

The bond rally comes amid rising optimism that the drubbing of 1994 is over. Last year, Treasuries posted their first losses in 25 years.

"I'm a bull," Raymond J. Stecker, president of RJS Capital Management in Manchester, Massachusetts, said. "The economy will slow down more because of all the rate increases we've had" from the Federal Reserve. He predicted that the yield on the long bond would fall to around 7 percent in a year.

The head of one trading desk argued that even if the market was overly optimistic about the economy, the refunding would "blow out" because retail investors have money to spend. Plus, he said, "the Treasury's not raising any money when you take coupons into account."

The auctions come just a week before the Treasury is scheduled to pay out $21 billion in coupon interest payments. Traders hope part of those payments will be reinvested in government securities, possible at the auctions.

Other traders cited investors' newfound interest in Treasuries in the wake of the debacles in emerging markets and derivatives securities in 1994, and the apparent stability of the dollar.

Ward McCarthy, a managing director at Stone & McCarthy Research Associates, said he expected the auctions to go well, even if portfolio managers suffer "sticker shock" when they look at the higher prices the market reached last week.

He said that the bond market was operating along the right lines. "The economy is going to slow," he said, "and there's light at the end of the tunnel as far as Fed tightening is concerned."

Margaret Patel, a senior vice president in fixed-income investments at Boston Security Counsellors, also expressed confidence about the auctions but forecast trouble in the market down the road.

Ms. Patel said the numbers so far showed "deceleration but hardly weakness" in the economy, and she predicted that stronger statistics later this year would force the Fed to raise rates yet higher.

"I think it's hard to make a case for being bullish about the long bond here," Ms. Patel said, "when you know the Fed's going to have to tighten more, even though a couple of numbers have suggested growth's not as fast as at the end of last year."

"But you can't deny the strength of this rally, which is being driven by technical aspects," she added.

But at least one trader said the recent bond run-up might have exhausted investors' buying power.

David Schroeder, a senior portfolio manager at Benham Management, forecast that the recent rally in combination with this week's auctions would prevent the market from making much more headway.

(Knight-Ridder, Bloomberg)

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Colonial Finance	$150	2005	¾	100	—	*Interest will be 0.75 over 6-month Libor until 1998, when issue is callable at par, thereafter* 1¼ over. Fees not disclosed. Denominations $10,000. (Goldman Sachs Int'l.)
Bristol & West Building Society	£100	1999	0.10	100	—	Over 3-month Libor. Noncallable. Fees 0.37%. (Kleinwort, Benson.)
Fixed-Coupons						
Bayerische Vereinsbank Overseas Finance	$100	1998	8	101.975	101.15	Reoffered at 100.55. Noncallable. Fungible with outstanding issue, raising total amount to $300 million. Fees 1⅝%. (Swiss Bank Corp.)
Campbell Soup	$300	1997	7¾	101.011	100.57	Reoffered at 100.036. Noncallable. Fees 1⅝%. (Morgan Stanley Int'l.)
Commerzbank Overseas Finance	DM 250	2000	6.52	100	—	Interest will be 6.52% in first year, thereafter a function of the REX index. Noncallable. Fees not disclosed. (Commerzbank.)
Commerzbank Overseas Finance	DM 250	2005	6.68	100	—	Interest will be 6.68% in first year, thereafter a function of the REX index. Noncallable. Fees not disclosed. (Commerzbank.)
General Electric Capital Corp.	£100	2000	9	101.795	—	Reoffered at 100.17. Noncallable. Fees 1⅞%. (Goldman Sachs Int'l.)
Royal Bank of Scotland	£100	2015	9⅝	97.530	—	Noncallable. Fungible with outstanding issue, raising total amount to £250 million. Fees 0.625%. Denominations £10,000. (Union Bank of Switzerland.)
General Electric Capital Corp.	FF 1,500	2003	8⅛	101.295	—	Reoffered at 99.72. Noncallable. Fees 1⅜%. (Banque Paribas Capital Markets.)
Helaba Finance	FF 980	1999	zero	74.012	—	Yield 7.70%. Noncallable. Proceeds 724 million francs. Fees 0.1875%. (Caisse des Dépôts et Consignations.)
Austria	ITL 200,000	1998	zero	74.495	73.13	Yield 10.31%. Noncallable. Proceeds 147 billion lire. Fees 1⅜%. (Credito Italiano.)
Banque Nationale de Paris	ITL 150,000	1997	11	101.075	100.25	Noncallable. Fees 1½%. (Istituto Bancario San Paolo di Torino.)
Deutsche Finance	ITL 120,000	1998	11	101.675	—	Noncallable. Fungible with outstanding issue, raising total amount to 420 billion lire. Fees 1⅜%. (Deutsche Bank.)
DSL Bank	ITL 60,000	1997	11.20	101.725	100.60	Noncallable. Fungible with outstanding issue, raising total issue to 260 billion lire. Fees 1½%. (Banca Nazionale del Lavoro.)
World Bank	ITL 150,000	1996	zero	91.475	99.25	Yield 8.73%. Noncallable. Proceeds 137 billion lire. Fees 0.875%. (IMI Bank.)
Rabobank Nederland	DF 150	1999	7½	102.43	—	Noncallable. Fungible with outstanding issue, raising total amount to 500 million guilders. Fees 1⅞%. (Rabobank Nederland.)
European Investment Bank	SP 25,000	1998	11.20	101.116	—	Noncallable. Fees 1⅜%. (Banco Santander.)
Eurofima	ECU 50	1999	8⅛	101.484	—	Reoffered at 99.984. Noncallable. Fungible with outstanding issue, raising total amount to 220 million Ecus. Fees 1¾%. (Barclays de Zoete Wedd.)
Export-Import Bank Korea	¥ 20,000	2000	4.35	100	—	Noncallable. Fees 0.25%. Denominations 10 million yen. (Nomura Int'l.)
Equity-Linked						
Kuraray	$100	1999	4½	100	—	Noncallable. Each $5,000 note with one warrant, exercisable into company's shares at 1,036 yen per share and at 100.45 yen per dollar. Fees 2¼%. (Daiwa Europe.)

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	Feb. 3	Jan. 27	Ch'ge
DJ Indus.	3,928.64	3,857.99	+ 1.83 %
DJ Util.	195.62	192.20	+ 1.78 %
DJ Trans.	1,511.15	1,523.50	— 0.81 %
S & P 100	444.23	435.82	+ 1.93 %
S & P 500	478.64	470.39	+ 1.75 %
S & P Ind	561.89	552.69	+ 1.66 %
NYSE Cp	260.94	255.29	[illegible]
Britain			
FTSE 100	3,059.70	3,022.20	+ 1.24 %
FT 30	2,319.70	2,292.70	+ 1.30 %
Japan			
Nikkei 225	18,536.97	18,104.35	+ 2.39 %
Germany			
DAX	2,057.99	2,031.70	+ 1.29 %
Hong Kong			
Hang Seng	7,478.92	7,297.12	+ 2.49 %
World			
MSCIP	595.30	602.50	— 1.20 %

World index From Morgan Stanley Capital Intl.

Money Rates

United States	Feb. 3	Jan. 27
Discount rate	5¼	4¾
Prime rate	9	8½
Federal funds rate	5 15/16	5 11/16
Japan		
Discount	1¾	1¾
Call money	2¼	2 3/16
3-month interbank	2¼	2 3/16
Germany		
Lombard	6.00	6.00
Call money	5.00	5.00
3-month interbank	5.10	5.10
Britain		
Bank base rate	6¾	6¼
Call money	6¼	5¾
3-month interbank	6 13/16	6¼

Gold	Feb. 3	Jan. 27	Ch'ge
London p.m. fix $	375.65	378.40	— 0.73 %

Euromarts

Eurobond Yields

	Feb. 3	Jan. 27	Yr high	Yr low
U.S. $, long term	8.22	8.39	8.39	6.22
U.S. $, mdm term	8.08	8.16	8.19	8.08
U.S. $, short term	7.64	7.74	7.90	7.62
Pounds sterling	9.27	9.34	9.34	9.19
French francs	8.14	8.15	8.18	8.10
Italian lire	11.19	11.29	11.31	11.19
Danish krone	8.32	8.41	8.51	8.32
Swedish krona	10.58	10.46	10.62	10.72
ECU, long term	8.73	8.75	8.82	8.72
ECU, mdm term	8.35	8.43	8.46	8.32
Can. $	9.86	9.83	9.94	9.63
Aus. $	10.45	10.55	10.60	10.39
N.Z. $	9.38	9.42	9.42	9.10
Yen	4.21	4.28	4.31	4.21

Source: Luxembourg Stock Exchange

Weekly Sales

Feb. 2

Primary Market

	Cedel $	Cedel Non$	Euroclear $	Euroclear Non$
Straights	102.10	725.00	2,197.80	636.80
Convert.	—	—	341.10	114.00
FRNs	138.80	—	370.00	203.50
ECP	6,158.60	4,632.50	9,825.00	5,140.80
Total	6,399.50	5,357.50	12,733.90	6,095.10

Secondary Market

	Cedel $	Cedel Non$	Euroclear $	Euroclear Non$
Straights	13,135.20	20,155.20	38,842.10	29,855.50
Convert.	1,167.20	997.80	2,070.70	1,626.00
FRNs	7,381.20	2,403.90	34,632.10	9,674.30
ECP	8,829.60	15,265.90	13,690.70	7,496.60
Total	30,513.20	38,821.90	89,235.60	48,602.40

Source: Euroclear, Cedel.

Libor Rates

Feb. 3

	1-month	3-month	6-month
U.S. $	6⅛	6 5/16	6 11/16
Deutschemark	5	5 1/16	5 5/16
Pound sterling	6 11/16	6⅞	7 3/16
French franc	5 9/16	5¾	6⅛
ECU	5⅞	6⅛	6½
Yen	2¼	2 5/16	2 5/16

Sources: Lloyds Bank, Reuters.

Herald Tribune INTERNATIONAL

BUSINESS / FINANCE

MONDAY, FEBRUARY 6, 1995

CYBERSCAPE

It's Fear and Fascination In Music's Modern World

By Richard Covington
Special to the Herald Tribune

CANNES — For months, Jon Kertzer's passion for African music kept him working late at Microsoft Corp.'s headquarters in Redmond, Washington, where he is audio manager for the company's consumer product division.

The result of his pet project is an enhanced type of CD-ROM — called a CD Plus — containing Ali Farka Touré, a Malian musician, in performance with the American guitarist Ry Cooder. The CD Plus is a marvel of music that is watched as much as listened to, and it represents multimedia's next wave of blending music with compact disk read-only memory technology.

The enhanced disk is both watched and listened to.

Previewed at the MIDEM conference last week in Cannes, a sort of music-industry film festival where performers are heard and deals are struck among musicians, publishers, and recording companies — CD Plus was one of myriad technological innovations vying to transform the music industry.

Mr. Kertzer's disk lets users hear lyrics that are printed on the screen by clicking them, view taped interviews with the African singer and Mr. Cooder, hear songs from Mr. Touré's other albums and even read background text on his native Mali. The audio portion of CD Plus disks also play in normal CD players.

Fewer than a dozen such CD Plus titles, priced in the United States at between $20 and $28, are as yet on the market. But Mr. Kertzer is convinced that the recording industry will see the development of CD Plus titles, using Microsoft's "Symmetry" software, as a relatively low-cost investment and jump at the opportunity to tap into this new market.

So far, the music business has regarded the emerging technology of multimedia with a mixture of fascination and trepidation, fearing that this new kid on the block might compete for listeners' leisure time. But according to an extensive market study conducted by the British research firm BIS Strategic Decisions Ltd., purchasers of CD-ROMs and other multimedia products actually buy more — not fewer — regular audio CDs in addition to their CD-ROM buys.

"The music industry should take the lead in driving the multimedia market, not the other way round," said Sairoze Hemani, a senior consultant at BIS.

But Nico Köpke, cooperations manager for Sony Music Entertainment GmbH in Frankfurt, is not so sure. Acknowledging that the recording industry has lost its monopoly on CD technology, Mr. Köpke doubted that music you watch and listen to on a PC could create the sort of "instant excitement" he feels the consumer needs. "The niche will be very small," for CD Plus, he predicted.

Simon Bazalgette, director of strategy and business affairs for

See CYBER, Page 12

Who Really Needs Central Banks?

'Board' Idea Weighed as Answer to Currency Woes

By Nathaniel C. Nash
New York Times Service

NEW YORK — Hong Kong did it in 1984. Argentina in 1991. Estonia in 1992 and Lithuania last year. Soon, El Salvador and Jamaica might do it. Brazil is studying it. Even Mexico — grappling with a wobbly peso and its attendant woes — sees it as a possible path to financial stability.

"It" is the adoption of a currency board, an idea making the rounds in countries struggling with investor nervousness, chronic inflation and the flight of capital. Basically, a currency board has four tenets:

- A government must cut its spending or increase its taxes to eliminate all but the smallest budget deficit — thus removing its need to print money, which is inflationary.
- It prohibits its central bank from printing money that is not fully-backed by foreign exchange reserves.
- It fixes the value of its local currency to that of its dominant trading partner.
- It makes its local currency fully convertible, upon demand, into the reserve currency.

The new board essentially replaces the central bank, and its members may or may not include members of the old central bank. Unlike the central bank, which could be pressured by politicians to printing money to cover budget deficits, the board is free of political interference.

Indeed, its sole responsibility is to defend the value of the local currency at the fixed exchange rate, which can only be changed by congressional or parliamentary action.

The board's sole responsibility is to defend the value of the local currency at a fixed exchange rate.

Besides putting the brakes on inflation, such a set-up bolsters investor confidence. Investors know that whenever they want to get out of the local currency, there will be the dollar or Deutsche mark or yen available.

"You are giving investors a total guarantee that their investments will not lose value from a deflated currency," says Domingo Cavallo, Argentina's finance minister and architect of the country's highly successful "convertibility plan," which is patterned after a currency board.

Thus far, in places that have embraced the idea, the tactic has done the near-impossible: stabilize gyrating economies. "No currency board ever set up has failed," says Steve H. Hanke, a professor of applied economics at the U.S.-based Johns Hopkins University and author of two books on the subject.

But what is not clear at the moment is whether a currency board will have the same success in large countries like Mexico, Brazil and Russia.

The currency board, which could well be a 21st century answer for restoring confidence to developing countries, has 19th-century origins.

When the Bank of England in its 1844 charter mandated that the pound was fully convertible into gold, it had to set up a system in which all of its paper money was backed by gold reserves and convertible upon demand.

The first country to adopt a currency board was Mauritius, in 1849, followed by New Zealand in 1850. The idea spread. During the Bolshevik revolution, the British economist John Maynard Keynes set up a currency board in north-

See BOARD, Page 12

Asians Scramble As Sanctions Hit Regional Trade

Reuters

HONG KONG — Hong Kong has implored Washington and Beijing to resume negotiations to avoid further escalation in their trade dispute, while Taipei urged its companies to drop plans to invest in the mainland.

"It remains our hope," the Hong Kong government said, "that there would be further negotiations so that the issue can eventually be settled, thus averting any retaliation."

Hong Kong, which re-exports a significant share of Chinese goods on their way to the United States, issued the statement after the United States and China announced tit-for-tat sanctions over the weekend in their dispute over Chinese pirating of U.S. intellectual property. The colony would be caught in the middle if the two started a full-scale trade war.

"During the next three weeks I am sure there will be further negotiations because both sides have too much to lose," said Ian Christie, head of the Hong Kong General Chamber of Commerce.

"From the American point of view," he added, "they would not wish to be excluded from that enormous Chinese market across all fields, whether it's intellectual property, manufacturing or pharmaceuticals."

Frank Martin, president of the American Chamber of Commerce in Hong Kong, said that while U.S. companies wanted their products protected from piracy, they did not want a trade war either.

"It could impact the overall relationship between the U.S. and China," he said, adding, "there won't be any winners in a trade war. That's why it's so important that they reach a mutually acceptable agreement, and it's almost inconceivable that it doesn't happen."

Taiwan sought to avoid rankling either side in the dispute. China and the United States are its two top trading partners.

"Taiwan is an innocent victim," Chen Ming-chang of the the Mainland Affairs Council, Taipei's top policy-making body on China, said Sunday.

The council called a meeting of business leaders, the Economics Ministry and the national industrial and trade associations to discuss "problems" with investing in the mainland.

"Taiwan businessmen should take this opportunity to revise their attitudes toward investing in the mainland and reduce their dependence on the mainland," the press agency CNA quoted Mr. Chen as saying. "In the future the pressure which the United States exerts on China will become bigger and bigger."

Taiwan investors have invested more than $10 billion in mainland operations. Taipei has been urging them to diversify into Southeast Asia. The latest U.S.-China friction is likely to speed the trend, analysts said.

Vietnam, for instance, stands to gain from the dispute by attracting investors scared from China. Taiwan investors have agreed to invest $1.9 billion in the past six years there. But it could suffer by being swamped with Chinese goods diverted from the United States.

■ **U.S. Grain Sale Unaffected**

The trade dispute will not block announcement this week of U.S. plans to sell China 1 million metric tons of subsidized wheat, the Agriculture Department's general sales manager said, Bloomberg Business News reported from Washington.

IG Metall Escalating Strikes Amid Talks

Compiled by Our Staff From Dispatches

FRANKFURT — Germany's largest union planned to escalate strikes Monday as wage talks resume this week amid employers' demands for cost cuts to offset any pay increases.

IG Metall, which is demanding a 6 percent wage increase for its 3.5 million workers, said strikes that began last Monday would continue because the German engineering and metal industry employer association had yet to make a wage offer.

Negotiations resume on Monday in Lower Saxony and on Wednesday in North Rhine-Westphalia.

Hans-Joachim Gottschol, president of the employers group, said Sunday a wage offer could not be made until after the two sides discussed how to cut rising costs for employers.

Mr. Gottschol, in an interview published in the Welt am Sonntag newspaper, said it was the "obligation" of both sides to address the issue to preserve jobs and to combat Germany's high unemployment.

"IG Metall can help reach a contract when they discuss our calls for cost-cutting measures," he said, noting that 40 percent of the companies in the employers association are reporting financial losses.

But the union's president, Klaus Zwickel, told the newspaper that the employers had "foolishly wasted" their time in the negotiation period, leading to the need for warning strikes.

Saying that he hoped that the impasse in the 1995 contract talks would not lead to an extended strike, he said the 6 percent wage increase was necessary because workers had seen their real wages fall in recent years.

The union rejected an offer from employers last week for a moderate wage increase in return for at least a two-year suspension of a special employee benefits fund.

(Reuters, Bloomberg)

■ **Manufacturers Cite Costs**

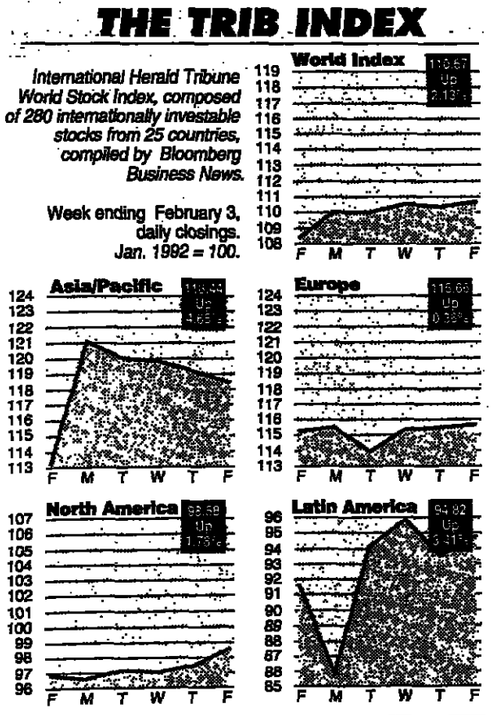
The German machine builders association, VDMA, said the machine industry remains burdened by high costs, the daily Handelsblatt newspaper reports, Bloomberg Business News said.

Jan Kleinewefers, head of the Verbands Deutscher Maschinen und Anlagenbau, said the industry had gone a "good way" toward its goal of reducing costs by 30 percent, but more measures were needed.

THE TRIB INDEX

International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News.

Week ending February 3, daily closings. Jan. 1992 = 100.



Industrial Sectors/Weekend close

	2/3/95 close	1/27/95 close	% change		2/3/95 close	1/27/95 close	% change
Energy	114.42	114.70	−0.24	Capital Goods	110.30	109.69	+0.56
Utilities	119.30	115.83	+3.00	Raw Materials	131.33	133.29	−1.47
Finance	109.85	104.23	+5.20	Consumer Goods	103.49	102.19	+1.27
Services	109.92	107.95	+1.82	Miscellaneous	115.21	112.15	+2.73

The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. *For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization, otherwise the ten top stocks are tracked.*

Church Music Label Draws a Quirky Following

By Erik Ipsen
International Herald Tribune

SMALL BUSINESS

WINGRAVE, Britain — Neil Collier has no illusions about where his money comes from. "I make money out of nut cases," says the electric blanket and furniture salesman turned — hopefully, anyway — music mogul.

Mr. Collier is the co-founder and now sole owner of Priory Records, which bills itself as Britain's premier church music label. With only 20 new recordings per annum, an average production run of a mere 1,500 disks, and recordings that include such obscure works as the "Complete Organ Works of Dr. Harold Darke," the likes of such industry titans as Deutsche Grammaphone are not exactly running scared.

Even Mr. Collier openly admits that he is sometimes surprised that there is any market at all for some of his especially obscure recordings. Yet the Jaguar XJS sports car parked outside his office door and the new 36-foot (11-meter), four-berth company canal boat testify that something has gone right somewhere.

"He has the right knack when it comes to church music," observed Raymond Glaspole, the record specialist at Blackwell's Music Shop in Cambridge. "He seems to come up with the things people want to buy."

Over a pint of bitter at a local pub, Mr. Collier offers a somewhat starker explanation.

"Enter the world of the dirty Mac brigade," he advises jovially, referring to the rainwear favored year-round by some of his label's more ardent fans. Church choir fans he classes as people just like "you and me," but true devotees of organ music, he insists, can get a bit, well, weird.

For them, he insists, the obscurity of a recording is the very thing that makes it desirable, and the more obscure the better.

"I get people who call me up at home on Christmas Day and ask if I have heard the new eight-foot stop on the organ at Lincoln Cathedral," he grouses.

Never mind that the person making such observations works shoulder to oftentimes odiferous shoulder with a 4-year-old Labrador mix named Clarion (after the four-foot stop on an organ) and is himself an avid fan of church music. Never mind as well that CDReview magazine recently called Priory "one of the great unsung heroes of the current recording scene."

Priory had revenue of £540,000 ($840,000) last year, according to Mr. Collier, from sales of his own CDs, all of which he records himself, as well as distribution of disks for 28 other small labels.

Over the years distribution has become nearly as lucrative for Priory as recording. It is a business that Mr. Collier never intended to be in.

Thirteen years ago, armed with his first three would-be commercial releases, he approached a distributor and was turned down flat. As a result, what had been little more than a weekend and evening hobby he pursued with a television sound engineer grew into something far bigger on the back of impending financial disaster.

"Great Scott, how am I going to get rid of all these records," he recalls thinking. His solution was to stuff his unwanted stock into the back of his company car and to embark on a surreptitious dual career. From that day on Mr. Collier quietly interspersed his calls on furniture stores to sell Camelot self-assembly furniture kits with detours to record stores from Lands End to Inverness to pedal Priory's unique wares at £3 (wholesale) a copy.

It worked. The orders began to trickle in, and Priory began to push more titles out into the market. Mr. Collier and his partner, Paul Crichton, even began taking occasional days off to fly to Brussels, Paris and Munich to make recordings using some of those cities' great cathedral organs.

Finally other music companies began calling Mr. Collier. They noted that in spite of its Lilliputian size Priory somehow had blanketed the British market. They asked if the company would distribute their recordings as well. It was around that time that Mr. Collier quit his furniture sales job and devoted himself full-time to the music business.

Today Priory's disks can be found in 700 outlets in Britain — including all of its cathedrals, among them the likes of Westminster Abbey and St. Paul's, where it has also made recordings.

For all his cynicism about some of his customers, Mr. Collier, who sang in church choirs himself for years, also regards his work as something of a mission.

"The Church is trying to go into all of this happy-clappy stuff," he gripes. "We are still producing what is the heritage of this country."

BCCI Creditors In Arab Emirates To Get Payments

Agence France-Presse

ABU DHABI — Branches of the collapsed Bank of Credit and Commerce International in the United Arab Emirates have withdrawn enough assets to compensate thousands of their local creditors, a court official said Sunday. Payments are slated to begin within a few months.

More than 30,000 creditors in the country will receive compensation representing up to 40 percent of their deposits, half of which were placed in the local market, said Abdul Aziz Said, a court receiver for BCCI.

"Collection of the BCCI assets here and abroad is underway and BCCI officials are now ready to pay the depositors," he said. "There is enough liquidity to give them up to 40 percent of their funds."

Last week a Luxembourg court approved a $1.8 billion compensation offer by majority shareholders for the nearly 250,000 creditors worldwide, clearing the way for payouts after more than two years of legal wrangling.

CURRENCY RATES

Feb. 3

Cross Rates

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.7169	2.6758	1.1209	0.3251	0.1051 *	—	5.4462 *	1.2254	1.7163 *	1.22	1.3897*
Brussels	31.325	49.325	20.595	5.935	1.9465 *	18.376	—	24.3575	0.3152	21.285	23.715*
Frankfurt	1.5185	2.3914	—	0.288	0.9443 *	0.8722	4.8166 *	1.1331	1.5248 *	1.0832	1.1488*
London (a)	1.5835	—	2.3863	0.2807	2.571.15	1.676	49.828	2.2039	155.96	2.1925	207.40
Madrid	132.109	208.045	86.988	25.056	8.274 *	77.671	4.2248	102.889	132.813 *	94.895	—
Milan	1,684.50	2,530.50	1,058.30	305.40	—	945.68	53.379	1,251.00	14.15	1,143.70	12.141
New York (b)	—	1.5635 a	1.537	0.2393	1,612.80	1.7188	31.44	1.2935	99.85	1.4066	132.65
Paris	5.2725	8.303	3.4777	—	0.3279 *	3.0975	0.1686	4.1963	5.3006 *	3.2556	3.989 *
Tokyo	99.68	157.47	65.93	18.94	0.633	58.57	3.1892	77.57	—	70.99	0.7589
Toronto	1.3915	2.1886	0.9157	0.264	0.8867 *	0.817	0.4469 *	1.0802	1.4079 *	—	1.054 *
Zurich	1.2895	2.0795	0.8461	0.244	0.8081 *	0.7553	4.1114 *	—	1.2946 *	0.92	0.9735*
1 ECU	1.2484	0.7928	1.6912	0.583	2,007.50	2.1253	39.8422	1.4831	124.193	1.753	165.834
1 SDR	1.4696	0.9331	2.2316	7.7484	2,362.88	2.5015	45.9538	1.8862	146.297	2.0646	194.346

Closings in Amsterdam, London, Milan, New York, Paris and Zurich, fixings in other centers; Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	1.00	Greek droc.	236.90	Mex. peso	5.43	S. Afr. rand	3.541
Austral. $	1.3316	Hong Kong $	7.7315	N. Zealand $	1.5484	S. Kor. won	792.40
Austr. schl.	10.673	Hung. forint	111.22	Norw. krone	6.649	Swed. krona	7.4416
Brazil real	0.84	Indian rupee	37.35	Phil. peso	24.80	Taiwan $	26.29
Chinese yuan	8.5113	Indo. rupiah	2219.51	Polish zloty	2.45	Thai baht	25.06
Czech koruna	27.57	Irish £	0.6423	Port. escudo	154.84	Turkish lira	40647.
Danish krone	5.984	Israeli shek.	3.0065	Russ. ruble	4059.00	UAE dirham	3.671
Egypt. pound	3.3925	Kuwaiti dinar	0.2987	Saudi riyal	3.7502	Venez. bolIv.	169.87
Fin. markka	4.7025	Malay. ring.	2.5517	Sing. $	1.457		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5734	1.5726	1.5723	Canadian dollar	1.4049	1.4049	1.4090
Deutsche mark	1.5252	1.5137	1.5121	Japanese yen	99.08	98.75	98.39
Swiss franc	1.2800	1.2775	1.2750				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Agence France-Presse (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Bloomberg, Reuters and AP.

Proposed New Tax Canceled by Israel

The Associated Press

TEL AVIV — Israel's cabinet voted Sunday to cancel an unpopular capital-gains tax in a move aimed at bolstering its sagging stock market and restoring confidence in its economy.

The tax, which was to go into effect Jan. 1 but had not been implemented, was canceled by a vote of 13-2, said Shmuel Hollander, a government secretary.

The tax was widely blamed for worsening the collapse of the Tel Aviv Stock Exchange, which has lost about 40 percent of its value over the past year. Since reports last week that the tax would be canceled, the stock market's Mishtanim Index has risen by 12 percent.

Politically, however, the flip-flops have eroded Prime Minister Yitzhak Rabin's credibility at a crucial juncture in the peace process with the Arabs, and at a time of declining popularity over continuing terrorism.

Mr. Rabin had agreed to the levy six months ago, arguing that it would help fight inflation. But he later backed away from that argument and implied he had been misled by economists.

The initial proposal was for a 10 percent levy on profits from stock sales with no compensation for losses. After criticism that the move could have led to taxation on losses, the government proposed an alternative 20 percent tax on net profits only.

Two months ago, after reports that Mr. Rabin was planning to cancel the tax at the last minute, he announced that it would take effect as planned on Jan. 1. But the tax was never collected, supposedly because of logistical difficulties.

The decision to cancel the tax has been criticized as a surrender to Israel's economic elite at the expense of workers who continue to endure one of the industrialized world's highest levels of taxation.

■ **Israel to Issue New Coin**

The Bank of Israel announced Sunday that a new 10 shekel ($3.33) coin would go into circulation this week, the Associated Press reported from Jerusalem. The step came after annual inflation surged to 14.5 percent last year, nearly twice the government's target for 1994.

Shmuel Bilitsky, head of the Bank's currency department, said the coin would replace bills that cost the same to print but which have a shorter life span.

Nasdaq Draws Criticism, But Companies Eager to List

By Floyd Norris
New York Times Service

NEW YORK — The Nasdaq stock market is under attack. Academic studies document that investors are often treated badly. The U.S. Securities and Exchange Commission under Arthur Levitt is pushing relentlessly for reform and the U.S. Justice Department is looking for antitrust violations.

But as all this activity swirls, one question seems to go unasked: If Nasdaq is so bad, why do so many companies choose to list their stocks there?

A significant part of the answer is that the SEC's own rules allow insiders, or employees of the company, to sell two or three times as many shares as can insiders at companies listed on the New York Stock Exchange. To the bosses of many young companies, that is important. Executives are often rich on paper but with all their wealth tied up in one stock. Many sell shares into the market as often as the rules allow.

And how often is that? The SEC's Rule 144 bars certain insiders, including those who held stock before the company went public, from selling more than a certain percentage of the stock's volume. The catch is that — as everyone on Wall Street knows — Nasdaq volume is hugely inflated because it includes so many dealer-to-dealer trades.

How big is the overcounting? One way to get a handle on it is to look at the volume of stocks that move from Nasdaq to the Big Board. Reported volume always drops, and often dramatically. That is not because the stocks suddenly look less interesting. It is because New York Stock Exchange volume comes much closer to representing real investor activity.

We looked at the volume of 10 such stocks that moved in late 1993, comparing trading in the year before the move to trading in the year after. We left out the period right around the move, when the fact Nasdaq market makers were getting out of the stocks might inflate volume.

The result? For every share that was traded on the Big Board, between 1.7 and 4.2 shares had been traded on Nasdaq. The average ratio was 2.8 to 1.

If that average is taken as accurate, then to even the playing field between Big Board insiders and Nasdaq insiders, the SEC should impose a similar ratio on Rule 144 trades.

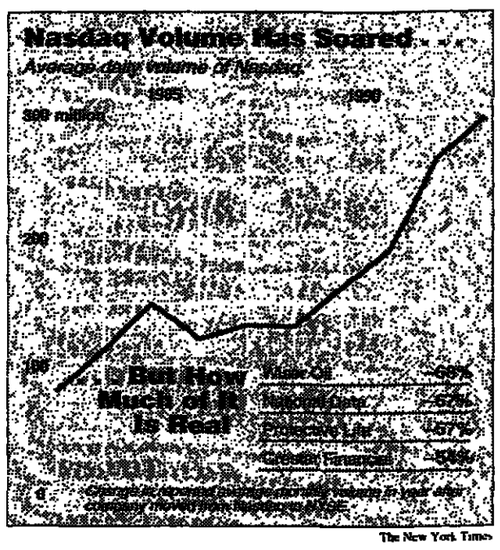
If a given volume level would let a Big Board insider sell 28,000 shares, a Nasdaq insider should be allowed to sell 10,000. Or, to make things simple, just base Rule 144 on the number of shares held by the public, not on volume figures.

There is a danger that efforts to reform Nasdaq are going to get bogged down in the minutiae of trading systems. A relatively small number of active traders have been the loudest complainers, but even if changing the rules to help them did hurt market makers, it would not do much for real investors who hold on to stocks for months rather than minutes.

They need a system that lets them trade with other investors, as on the exchanges.

In making the reforms, it would be nice to put market forces to work. If the incentive for executives to keep their stocks listed on Nasdaq were removed, companies might instead focus on — and demand changes in — the quality of markets that were being made for their shareholders.

Faced with the threat of losing some of their most popular — and profitable — stocks, the market makers who dominate Nasdaq might show less resistance to change.



The New York Times

SHORT COVER

G7 Countries Fear Chechnya's Cost

TORONTO (Reuters) — Western countries and Japan have voiced concern that Russia's costly military crackdown in Chechnya would hurt efforts to stabilize its economy, and warned Moscow to continue reforms if it wants their financial help.

But the Group of Seven industrialized countries said they still planned to invite President Boris N. Yeltsin of Russia to their next summit meeting in Halifax, Nova Scotia, in June.

At the end of two days of talks here, economic policymakers from the G7 — Britain, Canada, France, Germany, Italy, Japan and the United States — did little to hide their concern about Russia's campaign to put down rebels in the break-away region of Chechnya.

"The financial impact of the war in Chechnya threatens to burst the Russian budget," said Germany's finance minister, Theo Waigel. "Because of that, the outlook for a stabilization of Russia's economy will be further endangered."

MTV to Debut New Asian Networks

NEW YORK (Bloomberg) — Viacom Inc.'s MTV Networks said it would hire 100 people in Singapore to administer two Asian networks that will debut this spring. A Mandarin-language service called MTV Mandarin will be launched April 15, while an English-language channel called MTV Asia will be launched May 3.

MTV Mandarin is aimed at the youth market in Taiwan, Singapore, Hong Kong and China, while MTV Asia is targeted at India and Southeast Asia.

"We chose Singapore as an administrative and production base largely because of the strong technological and uplink infrastructure it offers media companies," said William Roedy, president of MTV Networks' international divisions. "In addition, Singapore has a rich and diverse cultural mix."

Moody's Downgrades Illinois Debt

NEW YORK (Bloomberg) — Moody's Investors Service Inc. has downgraded its ratings on $6.7 billion in publicly traded debt issued by the State of Illinois amid concern about the state's accumulated budget deficit.

Illinois' limited cash position and its slow pace closing its budget gap leave it vulnerable to any downturn in its economy or to any adverse events, Moody's said. Changes in federally funded programs that are managed by the state could worsen Illinois' financial position, Moody's added.

The downgrade comes as Illinois prepares to sell $140 million in general obligation bonds next week intended to help fund capital improvements.

Leisure Air Plans Final Grounding

WINSTON-SALEM, North Carolina (AP) — Leisure Air's last flight took off this week after the financially troubled U.S. airline told U.S. Federal Aviation Administration officials of its plans to shut down.

The airline, saddled with more than $20 million in debt, suspended all flights after a bankruptcy judge forced it to return all but one of its airplanes to a Japanese leasing company.

"We are in the process of winding down," said Francis DiCello, an attorney for the airline in Washington.

The Week Ahead: World Economic Calendar, Feb. 6 - 10

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

Asia-Pacific

● **Feb. 6** **Canberra** Foreign Affairs Minister Nguyen Manh Camh of Vietnam to begin five-day visit to Australia.
Melbourne January job advertisement survey results.
Tokyo Trade figures for first 20 days of January. January vehicle imports, including a breakdown by company and country of origin.
Taipei Shares in Ding Ing Enterprise Co., a manufacturer of leather goods, make their trading debut on the Taiwan Stock Exchange.
● **Feb. 7** **Sydney** Reserve Bank of Australia monthly board meeting.
Tokyo January deposit and loan totals at major banks. Nitto Construction to be listed on the Tokyo Stock Exchange's Second Section.
Taipei January trade figures.
● **Feb. 8** **Tokyo** Machine tool orders, current account balance and international security investment figures for December and all of 1994.
Kuala Lumpur Land & General Bhd. to hold stockholders meeting to discuss proposed bonus, increase in share capital and employees share option program.
Taipei Shares in China Life Insurance Co. make their trading debut on the Taiwan Stock Exchange. January consumer price index.
● **Feb. 9** **Sydney** January employment.
Hong Kong Third quarter gross domestic product.
Tokyo January bank lending and deposits.
● **Feb. 10** **Tokyo** Economic Planning Agency's monthly economic report. Ministries to submit final proposals on deregulation.
● **Feb. 11** **Tokyo** Social Democratic Party of Japan to hold an extraordinary party convention.

Europe

● **Feb. 6** **Brussels** European Union foreign ministers discuss an open market with Turkey. Through Feb. 7.
Madrid December current account deficit.
Rome Government and trade unions meet to discuss pension reform.
Amsterdam KLM Royal Dutch Airlines January load factor.
Expected sometime this week
Rome December foreign exchange reserves.
Zurich January unemployment.
Madrid January unemployment.
Paris December M3, SA.
Frankfurt Final January cost of living. Final December M3. Pan-German retail sales for December and all of 1994.
● **Feb. 7** **Frankfurt** Western German and Eastern German January employment. Western German December employment.
London December manufacturing output and industrial production.
● **Feb. 8** **Brussels** European Commission attempts to break deadlock on film restrictions.
London Bank of England quarterly inflation report.
Madrid Prime Minister Felipe González to appear before Parliament to hold a two-day state-of-the-nation debate.
Paris Third-quarter industrial production.
● **Feb. 9** **Brussels** European Commission meets with Industry Minister Juan Manuel Eguagaray of Spain to discuss state aid to Iberia Airlines.
Copenhagen January-September trade balance.
London November balance of global visible trade.
Rome December non-European trade balance.
● **Feb. 10** **Amsterdam** January consumer price index.
Copenhagen December industrial production figures.
Oslo January consumer price index.
Stockholm January unemployment.

Americas

● **Feb. 6** **Washington** President Bill Clinton submits to Congress budget for fiscal 1996, which begins Oct 1. January treasury securities stripping data. December housing completions. Supreme Court goes into recess through Feb. 21.
Sao Paulo The National Association of Automobile Manufacturers releases January production figures.
● **Feb. 7** **Schaumburg, Illinois** Santa Fe Pacific Corp. shareholders to vote on $3.8 billion railroad merger with Burlington Northern Inc. BN stockholders will vote at a seperate meeting in Fort Worth, Texas.
Washington Revised fourth quarter productivity and costs. December consumer credit. Treasury Secretary Robert E. Rubin and the chairman of the Council of

Economic Advisers, Laura Tyson, to testify at a Senate Budget Committee hearing on budget issues. American Petroleum Institute issues its weekly report on U.S. petroleum stocks, production, imports and refinery utilization. Senate Agriculture Committee hearing on ways to reduce government regulation of agriculture and agribusiness.
New York Johnson Redbook research service releases its weekly survey of same-store sales at more than 20 U.S. department, discount and chain stores.
Mexico City The central bank announces results of its weekly auction of Tesobonos. Mexico's Inegi unveils Nov. manufacturing statistics.
Rio de Janeiro The central bank to offer 8 million 35-day central bank bonds, or BBCs.
● **Feb. 8** **Washington** December wholesale trade. Department of Energy issues its weekly report on U.S. petroleum stocks, production, imports and refinery utilization. The Mortgage Bankers Association of America releases its weekly report on mortgage applications. The director of the Office of Management and Budget, Alice Rivlin, testifies at a Senate Budget Committee hearing on budget issues.
Arlington, Virginia. The American Gas Association releases its weekly U.S. natural gas inventory report.
Mexico City The central bank announces the results of its weekly auction of government securities. Average interbank interest rate.
● **Feb. 9** **Washington** Initial weekly state unemployment compensation insurance claims and state unemployment recipients. Weekly money supply/bank reserve data. Chancellor Helmut Kohl of Germany visits President Clinton. Secretary of Defense William J. Perry testifies at a Senate Budget Committee hearing on budget issues. Mortgage Bankers Association of America's weekly report on mortgage applications.
Buenos Aires Government could announce an auction of Treasury bills for March 14.
● **Feb. 10** **Washington** November producer price index. Federal Reserve's weekly report of assets and liabilities of U.S. commercial banks.
Houston Drilling Baker Hughes Inc.'s weekly survey of the number of active oil and gas drilling rigs in the United States and Canada.

French Insurer Lowers Profit Forecast for Year

Reuters

PARIS — The chairman of Union des Assurances de Paris, Jacques Friedmann, said the French insurer was still expecting a profit increase for 1994, but not the 30 percent boost he had been aiming for more than six months ago.

Mr. Friedmann said the recent floods in France will cost the company about 200 million francs ($38 million), but he stressed that the effect on its profits would not be so severe.

"But I would like to point out that we pay damage claims of about 24 billion to 25 billion francs each year," he said. "Consequently, these are not sums which call the results of our group into question, even if it is not very agreeable to start the year with such a big bill."

He also said the company has just signed a cooperation agreement with Japan's Dai-Tokyo Fire & Marine, in which it would represent the Japanese accident insurer in Europe and Asia. Dai-Tokyo will represent UAP in Japan.

Mr. Friedmann said UAP's 1994 results would be presented in March when the board has approved the accounts.

"UAP's results will exceed 1993's," he told Radio Classique, "but without reaching the 30 percent mark I had fixed as a target more than six months ago when the financial and real estate climate was quite different from today's."

BOARD: *Some Say Currency Boards Are Immune to Political Influences*

Continued from Page 11

ern Russia that lasted two years until capitalism was outlawed.

The present-day currency board, however, has certain advantages over the gold standard. First, with a U.S. dollar or Deutsche mark peg, you are dealing in a much more liquid and negotiable instrument. You also earn more interest on exchange reserves than you would on gold deposits. In addition, foreign exchange is not as prone to huge price swings as gold is, thus affording more price stability.

Over the years, the economist Milton Friedman and Sir Alan Walters, chief an economic adviser to Margaret Thatcher, have been two staunch advocates of this idea. It was Sir Alan who set up the currency board in Hong Kong in 1984.

With the territory increasingly unsettled by the prospect of returning to Chinese domination in 1997, the Hong Kong dollar was gyrating because investors were fleeing with their money. After the Hong Kong dollar was pegged to the U.S. dollar, currency calm was restored and capital flight arrested.

The change in Argentina was even more dramatic. There, the inflation rate in 1989 rose to more than 2,000 percent. In 1991, Mr. Cavallo introduced his convertibility plan, pegging its austral, and later the peso, to the dollar.

Argentina saw its inflation drop to single digits in a little more than a year as foreign investment flowed into the country. During the Mexican peso devaluation crisis in December, there was speculation that the Argentine currency would be devalued.

But Mr. Cavallo pledged he would sell all the dollars in the Argentine Treasury before he would devalue. "Once the market realized we had no reason to devalue," Mr. Cavallo said, "everything quieted down, and there was no loss of reserves."

Similarly, Estonia and Lithuania have found a financial haven in currency boards. After the collapse of the Soviet Union, Estonia and Lithuania were plagued by high inflation because of their close ties to the Russian ruble.

In 1992, Estonia pegged its kroon to the mark and watched as foreign investment poured in. Last year, Lithuania pegged its lita to the dollar and has seen its foreign-exchange reserves increase by 10 times.

"There was a very strong lobby against the law," recalls Adolfas Slezevicius, Lithuania's prime minister. "Commercial banks and some financial groups did not like it because they were using our very unstable situation to make a lot of money. Now they can't take advantage in big fluctuations in the value of our currency."

Mr. Slezevicius says that he and Nursultan A. Nazarbayev, the president of Kazakhstan, have been talking about establishing a currency board in that former Soviet republic.

But opinion is divided as to whether a currency board should be set up in Mexico.

"A currency board is a straitjacket on a central bank, an extreme discipline on extremely bad behavior," said Jeffrey Sachs, a professor of economics at Harvard University. "A general view among monetary experts is that, for large economies, it gives up too much, taking away flexibility."

Mr. Sachs added: "The question for Mexico is, is monetary policy so politicized that you simply can't trust a central bank to use discretion? I would say that despite mistakes, especially last year, the answer is no. I would rather Mexico faced up to its mistakes, have a sensible, transparent monetary policy, but leave itself some flexibility."

Some economists point out that although Mexico created excessive debt levels over the past year, its management of its economy from the mid-1980s until last year (low levels of inflation, strong economic growth) has shown that its monetary institutions are reliable.

CYBER: *An Enhanced CD-ROM Brings Rock Stars to the Land of the PC*

Continued from Page 11

Music Choice Europe, a British company that provides what might best be described as cable television for radios, warned of "the dangers to the music industry of getting sidetracked into things other than music," such as veering off into CD-ROM projects or video products.

Music Choice, launched last year in Britain and soon to be available in France, is essentially a radio station, or rather numerous radio stations, that listeners tailor themselves — *without commercials or disc jockeys.*

For around £10 ($15.60) a month, the service is distributed to homes via cable and satellite and requires a decoder box. Unfortunately, reception is not yet feasible for the all-important car radio market.

"We're trying to bring people away from TV and back to music," Mr. Bazalgette said. "If you want a channel devoted to Norwegian folk music, you should have it." In Japan, for example, a similar network exists that supplies an all-Beatles channel and an all-Elvis channel. "Services like these are a clear threat to the record industry," Mr. Bazalgette said. "With an all-Beatles channel, listeners are likely going to stop buying Beatles records."

Meanwhile, at the MIDEM conference last week, the Internet kept cropping up as a savior for small, independent music labels. Indeed, say some industry analysts, even if you're on All-Time Loser Records and have a negative budget for publicity, your music stands a chance on the Internet. On-line recording catalog services are popping up faster than you can log on with buyme@now.pls.

Ayuma Inc., for example, an on-line music publisher based in Santa Cruz, California, specializes in underground bands that wouldn't have a prayer of getting display space at Tower Records or Virgin Megastore. On the Internet, however, potential record-buyers can sample Ayuma artists.

Moreover, European jazz fans can now sample well-known and obscure artists on the Internet through a new on-line catalog service from Alex Merck Music GmbH of Cologne. The German and English service can be accessed at the address of: http://www.berensp.comm/amm/.

George Clinton, a U.S.-based icon of 1970s "acid funk" and an indefatigable touring singer in the Far East, has revived his career through his Internet chat show, "P-Funk On-line," and has had callers from as far away as Hong Kong and Tokyo. In most of these on-line catalogs, you order on-line as well, saving a jaunt down to the local record store, or even to the post office.

Another bit of techno-wizardry has emerged with expanded text services on radio, such as read-outs of song titles and station call letters. At the end of the month, the Paris radio station Oui FM, at 102.3 on the dial, will be test-broadcasting song titles that appear as text on radios equipped with teletext capability, or a window that prints out text.

Virtually all radios now sold in Europe have this capability, but stations have yet to beam out text along with their audio signals. According to Philippe Generali, European vice president for the New York-based Radio Computing Services, Inc., "the European market is more advanced than the American," where few radios come equipped with text-printing capability.

Already, the French FM station NRJ allows car radio listeners to tune into a single setting that automatically shifts frequencies to pick up the closest transmitter, enabling you to drive from Paris to Nice without having to fiddle with dials or buttons to keep NRJ tuned on a clear signal.

But not all the best-laid plans of mouses and multinationals evolve without growing pains. Last year's technological buzz at MIDEM was the much-heralded New Leaf Entertainment, a joint venture of IBM Corp.and the video chain Blockbuster Entertainment Corp., that would enable customers to mix and match their own recording artists — creating a CD of Frank Sinatra recordings, for example, along with those of George Michael and Alice in Chains.

As brilliant as the idea appeared, the major record labels stepped in to call foul, denying — for the time being at least — copyrights on these customer-recipe CDs.

Internet address: CyberScape@iht-lib.demon.co.uk

Turkish Prices Still Rising

Reuters

ISTANBUL — Turkey's inflation rate maintained an upward trend in January, according to figures from the State Institute of Statistics.

Turkey's consumer price index in January rose by 6.8 percent, compared with a 6.3 percent rise in December. Its wholesale price index was up by 8.4 percent in January, compared with 8.3 percent in December.

Turkey's 1994 wholesale inflation rate hit 150 percent.

هكذا من الاصل

MUTUAL FUNDS

Close of trading Friday, Feb. 3.

Grp Name / Fd Name	Last	Wkly Chge
AAL Mutuals		
Bond p	9.44	-.07
CGrP p	14.52	-.18
HiYldBd p	10.44	-.15
InvGrStk	10.38	-.15
Util p	9.24	-.20
AARP Invest		
BalGroInc	14.42	-.15
CapGrIn	31.10	-.71
GlobEqIn	15.73	-.26
GrowInc n	32.46	-.74
HiQBd n	13.17	-.10
TotRet n	17.12	-.24
ABT Funds		
Emerg p	13.31	-.15
FL Hl	9.96	-.13
FL TF x	10.47	-.13
GvtInc p	10.30	-.17
HiInc px	11.71	-.17
AE LaCap n	9.99	-.16
AHA Funds:		
Balanc n	11.49	-.13
Fix	9.29	-.06
Stock	10.00	-.03
AIM Funds:		
AgrsvP	28.61	-.37
BalanP	14.89	-.21
BdWP	7.61	-.09
ChartP	9.40	-.16
CmstP	17.39	-.37
GlobEqP	14.92	-.22
GlAgGrB	6.90	-.15
GovSecP	9.11	-.05
GovSecB	9.11	-.05
GrInP	10.24	-.22
HYMuP	8.41	-.22
HYMuA p	8.96	-.22
HYIdB p	8.96	-.22
Incap p	2.44	-.03
IntlEq p	11.29	-.10
IntlGrP p	9.49	-.09
MidCap p	9.94	-.05
Summit	7.94	-.05
TechP p	16.58	-.29
TxFlnt	10.79	-.03
UtilP p	12.59	-.20
UtilB t	12.79	-.21
Value t	21.40	-.34
Weing p	15.54	-.31
AMF Funds:		
AdjRate	9.79	-.04
IntlWin n	9.23	-.04
UtGvIn n	10.41	-.02
UtGvIn n	10.26	-.07
ARK Funds:		
CapGrn	9.57	-.15
GrInc n	9.47	-.07
Income	9.47	-.07
AVESTA:	9.80	-.18
AVESTA:		
Balanced	17.46	-.29
Bstro	19.83	-.44
Emerson	15.93	-.21
Income	15.75	-.31
Accessor Funds:		
Intl Eqn nx	1.23	-.03
SpcMarIg	11.41	-.04
SmlnPrx	7.78	-.01
Acorn	45	
AMerWrGr n	3.02	+.06
Aims Mutl Funds:		
Growth	3.95	
Income	10.24	-.15
TrRex	14.73	-.16
API Gr pn	11.17	-.08
Am Performr:		
AssetGrn	12.50	-.23
Bond x	8.94	-.04
EqGrow	10.21	-.17
IntlSx	9.61	-.10
IntmLAF	10.29	-.16
AmWnUtil n	20.98	-.44
AmwyMut	7.06	-.44
AndyVsNtGv	9.64	-.07
AndyVsIc	12.40	-.12
AndyCap	20.47	-.13
AntMrGr ns	11.16	-.18
Apex Funds:		
AgTrF	10.12	-.13
CTF	10.97	-.11
EqTF	11.02	-.11
FY TF	10.24	-.09
GovSecTF	10.21	-.15
TxFrTF	9.30	-.14
Aquila Funds:		
Bal Gr n	6.68	-.10
Eqlnc n	9.46	-.17
Rhine n	9.48	-.22
Arch Funds:		
Bal	9.93	-.13
Bd Gr Mtn	9.53	-.22
GovCorp	10.83	-.07
Grolnc	13.11	-.21
Mun	9.07	-.14
NtTF	11.04	-.17
US Gov	10.24	-.07
ArisAdvs np	10.78	-.22
ArisAgrs np	22.07	-.43
Armstrng	8.76	-.16
Arnav Funds:		
Bounty	9.26	-.20
FastInCm	9.21	-.10
Muni	9.07	-.18
AltongGr p	10.65	-.18
Altos Funds:		
CaInc	9.81	-.06
CombAs	10.44	-.07
GvSecA	9.74	-.07
HiYldA	7.23	-.16
MoMuInA	10.76	-.11
BBT Funds:		
BdTrPr	8.53	-.07
GrowInc r nx	11.00	+.10
IntGovT nx	9.93	-.04
SmTrTR nx	7.27	-.03
UtilTr nx	11.57	-.03
BEA Funds:		
EMkEq t	17.38	-.36
FlxInc t	10.39	-.08
MuniBd	14.84	-.16
ShDurCrn n	4.91	-.01
StrDurInv n	9.98	
StrDurInv n	9.98	
BEA Funds:		
EMkEq t	17.38	-.36
FlxInc t	10.39	-.08
MuniBd	14.84	-.16
ShDurCrn n	4.91	-.01
StrDurInv n	9.98	
BerkFunds:		
IntrEqx n	12.24	-.12
SmCapGr n	14.26	-.19
Bernstein:		
DivMu	13.07	-.32
DurDiMu	12.77	-.29
HiInMu	13.55	-.17
NtMu	12.67	-.26
SmDurMu	10.92	-.26
Bull & Bear Gr:		
CapGrA	7.61	-.08
CapGrB	7.61	-.08
GlobEq	11.94	-.10
GrowthA	12.88	-.14
GrowthB	12.88	-.14
IncGrA	14.74	-.22
IncGrB	14.74	-.22
MuInc	13.47	-.19
SmCapVal	10.74	-.24
Cambridge Funds:		
CapGrA	12.03	-.11
GvInc	12.63	-.11
GwthA	14.88	-.22
IncGrA	14.29	-.21
MultiInc A	14.49	-.16
CapGrB t	14.90	-.28
GlobB	13.42	-.17
GvInc t	12.64	-.11
GwthB t	14.87	-.29
IncGrB t	14.74	-.22
MultiInc B t	14.49	-.16
CamWicks n	11.44	+.20
Capmeller Rushmore:		
EmgGr n	12.28	-.30
FxInc n	10.42	-.07
CapmellRIR	9.23	-.19
Capstone Group:		
Balanced	10.49	-.10
Growth	12.90	-.23
GvInc n	4.76	
MedRS	17.80	-.29
RZGro	7.43	-.06
RZInc	8.26	-.06
NJgen	7.04	+.10
Cardinal Funds:		
EqgGth	10.37	-.21
Balanced	9.90	-.13
Fund	11.63	-.15
GovObtlig	9.45	-.05
CapCo	11.39	-.09
CarnegieTF	9.31	-.05
Carnegie Funds:		
EqGrowCc nx	9.85	-.07
FedSecCn	9.82	-.04
NC TF n	9.86	-.09
CentrSt Cn	23.28	-.54
CHCapBC x	12.67	-.07
CHGrth	14.93	-.38
CheshInt	151.97	-2.19
ChicVlNw n	41.79	-.13
ChubbCrn	15.22	-.37
ChubbFrg	13.67	-.19
Clipper n	49.51	-1.43
CloverCEq n	13.22	-.14
Colonial Funds:		
AllCap	6.95	-.13
ConTE A	7.19	-.11
Fedtax	10.02	-.07
FL TE A	7.71	-.14
Fundm	7.24	-.11
GlbEqA	11.04	-.10
GrwthA p	12.24	-.17
HYMuA	8.43	-.12
IncomeA p	6.04	-.05
IntGrA	9.11	-.07
MA TxA	7.42	-.12
MI TE A	6.74	-.11
MN TE A	6.91	-.11
NtResA	11.43	-.10
NY TE A	6.74	-.13
OhTE A	7.00	-.10
Income t	13.06	-.12
Inv A	18.37	-.03
Inv B t	18.37	-.03
DwPlPcNR n	9.96	
Dreyfus Mutual:		
IntGov n	9.59	-.05
KYTF n	7.36	-.08
NYTE n	9.14	-.01
Eat Funds:		
Atlntg n	10.34	-.19
BondDebt p	8.74	-.12
CAMun nx	7.63	-.18
NY Mun nx	7.60	-.18
US Gov n	1.40	-.02
Funds IVI:		
AggRxAsn	9.85	-.13
BalInSn	9.80	-.10
GlobGrSn	9.99	-.14
GAM Funds:		
Europe	14.56	-.35
Global	109.72	-1.41
Intl	17.34	-.17
PacBas	18.49	-1.38
GE Elfun Sts:		
Diversfd n	13.69	-.21
EqIdx PM n	34.94	-.42
SocCrngn	10.68	-.07
S&S PM n	32.94	-.42
TxMgEq	11.29	-.16
Trusts n	32.34	-.74
GT Funds:		
GlobGr	17.86	-.48
IncomeA n	11.39	-.08
IntlEqA n	10.73	-.11
IntlGrOp n	14.07	-.20
Strategic	15.76	-.27
TxFrBnd n	11.54	-.17
US Eq	16.40	-.32
GT Investa:		
Equity n	18.11	-.28
TFNat n	9.86	-.12
TFNtMd n	10.73	-.12
GT Global:		
Amer p	18.05	-.04
Europe p	14.67	-.09
EmMkt	14.39	-.45
EmMktB	14.48	-.45
EmMktC	14.39	-.45
EuroB	9.88	-.01
GvIncA	8.39	-.02
GvInc B	8.39	-.02
GrInc A p	9.65	-.14
GrInc B	9.62	-.01
GrInc C	9.62	-.01
HiInc B	8.47	-.42
HiInc C	8.47	-.42
Intl A	12.94	-.17
Intl B	12.94	-.17
Intl C	12.94	-.17
JapanFn n	9.10	-.14
NYTxF	10.44	-.20
PacGr	10.41	-.13
Pacific	9.76	-.05
Strlng n	9.75	-.06
US Gvt	8.77	-.05
US Lrg	14.53	-.25
Value	13.11	-.21
Gabelli Funds:		
Asset	18.71	-.32
Gldwnr	10.09	-.06
GlobBd	9.40	-.14
GlobTel	9.87	-.09
Growth	19.41	-.32
Intl Ser	12.19	-.17
ITGovt	10.18	-.07
Comstock Series:		
AggGrA	14.73	-.17
Govt	10.16	-.18
Growth	17.15	-.20
Grolnc	14.31	-.25
GrInc2B	11.74	-.19
GrIllA p	11.70	-.19
GrIllB p	11.66	-.18
Muni	12.34	-.14
Comstock Capital:		
EqtyInc	11.39	-.20
Exdin	9.96	-.20
Growth	10.95	-.20
Grolnc	14.31	-.25
GrInc2B	11.74	-.19
GrIllA p	11.70	-.19
GrIllB p	11.66	-.18
Muni	12.34	-.14
Comstock Funds:		
Gov	9.93	-.07
Grwth	14.43	-.28
Grolnc	14.31	-.25
GrInc2B	11.74	-.19
GrIllA p	11.70	-.19
GrIllB p	11.66	-.18
Muni	12.34	-.14
Cornerstone Group:		
GrowthPl	14.09	
Intl	10.75	-.20
MunBd	8.17	-.13
MU Mun	10.82	-.14
Shrtint	10.05	-.04
SmCapVal	10.74	-.04
Cornerstone Group:		
BdStrCA p	11.49	-.13
BdStrNY p	11.49	-.13
SmCapVal	10.74	-.04
Cornerstone Group:		
AggGrA	14.73	-.17
AggGrB n	14.09	-.17
Govt	10.16	-.18
Growth	17.15	-.20
Grolnc	14.31	-.25
GrInc2B	11.74	-.19
GrIllA p	11.70	-.19
GrIllB p	11.66	-.18
Muni	12.34	-.14
Cornerstone Funds:		
Balanced	9.75	-.12
Bond A	10.38	-.16
Bond B	10.38	-.16
Grwth A	12.37	-.20
Grwth B	12.37	-.20
Intl	10.75	-.20
MunBd	8.17	-.13
MU Mun	10.82	-.14
Shrtint	10.05	-.04
SmCapVal	10.74	-.04
Cornerstone Group:		
BdStrCA p	11.49	-.13
BdStrNY p	11.49	-.13
SmCapVal	10.74	-.04
Cornerstone Group

NASDAQ NATIONAL MARKET

Consolidated trading for week ended Friday, Feb. 3.

Stocks	Div	Yld	Sales 100s	High	Low	Clse	Chge
A							
APacPod		—	8850	4¼	2½	4⅜	+1⅞
A Plus		—	1845	14¼	13½	14¼	+¾
AAON		—	1236	13⅞	12¾	13⅝	+⅛
ABC Bcp	.38	3.0	114	12¾	12	12¾	—
ABC Rail		—	1057	21⅞	21½	21⅝	
ABR Info		—	1166	22½	20¾	21½	+⅛
ABS	.20	1.7	535	12½	12	12	
ABT Bld		—	1818	14¼	13¼	14	+½
ACC Cp	.12	.8	757	16⅝	15	15¼	—¾
ACS Ent		—	4436	13½	11⅞	13⅝	+1⅝
ACX Tc		—	725	39¼	38½	38½	—⅛
ADC Tel		—	14206	50¼	45¼	47⅞	—2½
ADESA		—	908	15¾	15¼	15¼	—
ADFlex		—	1508	17⅞	16	16⅝	—1⅛
AEL		—	2	10½	10½	10½	+⅛
AEP Ind	.08	.4	142	18½	17¾	18½	+¾
AER En		—	3672	4⅞	3⅛	3⅛	—⅝
AES Chn		—	10923	10⅝	8¼	10⅛	+1⅝
AES Cp	.48t	—	8745	17⅞	16	16½	—1
AFC Cbl		—	7597	14¾	13½	14½	—½
AK Steel		—	12895	26½	24¾	26¼	+¼
AK Stl pf	2.15	7.7	847	28¼	27	27⅞	—⅞
ANB	.84	3.4	4	25	25	25	—
APS Hld		—	1712	26¾	26¼	26½	—½
ARI Net		—	100	2⅞	2½	2⅝	—
AST		—	32179	15½	13⅝	14⅞	+1
ATS Med		—	1138	4⅞	4⅜	4⅞	+⅛
AW A		—	37	1⁷⁄₁₆	1⅜	1⅜	—
Aames	.30	2.8	x3256	11	9½	10¾	+1¼
AamRt B	.10	.8	298	14	13¼	13¼	—
AaronRt	.04	.3	311	14½	13	13¾	—¾
AascheT		—	506	8½	7½	7½	—1
Abaxis		—	1023	3¾	3¼	3⅜	—⅛
AbbeyH		—	16402	28½	24¾	27¼	+2⅜
AbingSB	.40	3.0	105	13½	13	13⅜	—
Abiomd		—	420	6	5	6	+½
AbleTel		—	7024	7¼	5½	5⅞	—1⅜
Abrams	.12	2.7	27	5	4½	4½	—½
Abraxas		...	18	9¾	9½	9¾	—½
Accel		—	633	2⅛	1⅝	2⅛	+¼
AccsHlt		—	2067	16½	14⅞	16½	+1¼
AccsH n		—	3345	10⅛	8⅝	9½	+½
Acclaim		—	34418	14⅝	13¼	13¹⁵⁄₁₆	—⅛
AccuStff		—	3417	15⅞	13⅞	15⅝	+1½

Stocks	Div	Yld	Sales 100s	High	Low	Clse	Chge
AscdGpA		—	918	21¼	19½	19¼	—½
AscdGpB		—	2149	20½	18¾	18¾	—¾
Astec		—	5773	12⅝	11¼	11⅝	—½
AstoriaF		—	7786	30½	29¼	29⅞	+⅛
AstroM	.12	1.0	89	12	11½	11⅞	+⅛
Astron		...	327	2¾	2⅜	2⅜	—⅛
Astrosy		...	145	4¼	4⅛	4⅛	—
Astrum		...	208	24	23½	23½	—⅝
AsystTch		—	6955	33	24¼	31½	+7
AtchCst		—	602	16⅝	15¼	16⅝	+¾
Athena		—	2765	8⅝	7⅞	8	—⅛
Athey	.37t	—	2	5½	5½	5½	—¼
Atkinsn		—	242	9½	9¼	9½	+¼
Atlanfed	.36	2.2	97	16¾	16¼	16¼	—⅜
AtlAm		...	150	2¼	2	2⅛	+⅛
AtlBev		—	97	3½	3	3	—½
AtlCstAir		—	210	2¾	2⅜	2½	—⅛
AtlGulf		—	168	8⅞	8¼	8⅞	—
AtlSeAir	.34	1.9	8235	18⅝	16½	17⅞	+1⅛
AtlTele		—	409	8¾	8	8¾	+¾
Atmel s		—	43720	34	31⅛	33¼	+⅜
AtrsSft		—	5321	31¼	26¾	30⅝	+1⅝
AtrixL		—	600	6¼	5⅝	5⅞	—⅜
AtwdOc		—	26	11⅝	10⅞	11⅜	+⅜
AuBon		—	3462	15½	14⅜	15⅛	—⅛
AuraSy		—	18287	4⅛	3¾	4	—⅛
Auspex		—	30852	9½	8⅛	9	+1⅛
AutoInf		—	12464	3½	2¾	3¼	+⅜
Autocam	.55t	—	4256	11¾	10½	11½	+⅛
Autoclv	.24	2.7	520	10	8¾	9	—¼
Autodk s	.24	.7	23777	35¼	32¼	35	+1⅛
AutoGp		—	879	10⅜	9¾	9¾	—1
Autoimu		—	3724	6	5⅜	5¾	+⅛
AutoInd		—	3259	19⅝	17½	19¾	+2
Autotote		—	130470	10	5⅞	7½	—2⅛
Avatar		—	483	36⅞	35½	36¼	+¼
Avert		...	196	5¼	4⅜	5⅜	+⅛
Avert wt		—	295	½	⅜	½	+⅛
AvidTch		—	27950	29¾	25	29	+3⅞
Avndle		—	682	7¾	7⅜	7⅞	—⅛
AzicM	.02e	.4	570	5	4⅝	4⅝	—
B							
BB&T	1.16	3.8	4074	30½	29⅝	30⅛	+⅜
BCB Fin	.08r	.7	2	11½	11½	11½	—⅜
BE Aero		—	7802	6½	5⅞	6⅛	—⅛
BEI El	.08	1.5	757	5⅜	5	5¼	—
BFS NY		—	475	25⅜	23⅞	24⅞	+⅞
BGS	1.00a	3.9	2225	25¾	24½	25⅜	+1⅛
BHA	.12	.9	99	13¾	12¾	12¾	—½
BHC Fncl	.08	.7	829	12¼	11	12¼	+1
BI Inc		—	1985	5⅞	5⅛	5¾	+½
BISYS		—	2260	21¼	19¾	19⅞	—1⅝
BKC Sem		—	21	2¾	2⅜	2⅜	—½

Continued on Page 15

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Baseball's Talks Again Bog Down

By Mark Maske
Washington Post Service

WASHINGTON — Major league baseball's team owners and striking players continued to stagger toward President Bill Clinton's Monday deadline and a threat of government action.

Both sides said they were willing to meet Sunday, but meetings late Saturday night were canceled by the owners, who maintained that a proposal from the players earlier in the day had produced little toward a compromise.

John Harrington, the general partner of the Boston Red Sox who is chairman of management's bargaining committee, said the owners had taken a "preliminary look" at the proposal and had concluded that "we don't see any meaningful movement in this thing. It was a little disappointing. The level of movement just was not there at all."

Another owner called the union's offer "ridiculous" and said it essentially ended serious negotiations for the weekend.

The owners' withdrawal of the salary cap on Friday, induced by the National Labor Relations Board, had resuscitated the possibility that the players could end the strike even without a labor agreement.

The board had informed the owners that it would issue an unfair labor practice complaint against them on a charge the players filed Dec. 27, five days after the clubs declared an impasse in negotiations and imposed the cap.

With the former economic system in place at least temporarily, the players might decide to play while bargaining continued, it seemed. Gene Orza, the union's second-ranking official, called that "a possibility, if things fall into place right."

The union, responding to the taxation proposal presented Wednesday by the owners, then offered to eliminate the salary arbitration system under certain conditions and addressed the core economic issue of the dispute with a plan that would tax teams' player payrolls at a top rate of 25 percent.

The owners' proposal provided for a 75 percent payroll tax above $35 million and a 100 percent tax above $42 million. The Baltimore Orioles, for example, would pay a payroll tax of $1.2 million (based on their 1994 payroll) under the players' new proposal; they would pay $7.8 million under the owners' plan.

In the owners' plan, money derived from payroll taxes would be used to fund players' benefits. With the players' plan, those funds would be used for revenue-sharing for the clubs.

In a new twist, the players proposed that the owners commit to hiring a commissioner or a chief executive officer no later than 90 days after a deal is ratified. Major league baseball has not had an official leader since Sept. 7, 1992, when owners forced Fay Vincent's resignation as commissioner.

Clinton and the principals in the dispute were just one floor apart at the Mayflower Hotel for a while during the evening. The president accompanied his wife, Hillary, to a Wellesley College reunion, but did not visit the baseball negotiations. His special mediator, W.J. Usery, was scheduled to brief administration officials Sunday afternoon on the talks.

Luke Frazza/Agence France-Presse

President Clinton and his daughter, Chelsea, watched as their town's underdogs won.

Sandstrom's 2 and 2, Penguins Are 7-0

The Associated Press

The Pittsburgh Penguins have matched the best start in their history, but should recall the last time they were 7-0.

Tomas Sandstrom had two goals and two assists and John Cullen added two goals as the Penguins remained the NHL's only unbeaten team with a 6-3 victory over the Tampa Bay Lightning on Saturday.

The only other 7-0 start in the Penguins' 28-year history was in 1986-87, when they finished 30-38-12 and didn't make the playoffs. Of course, that was a regulation season, not one cut nearly in half by a long labor dispute.

The Toronto Maple Leafs set the NHL record with a 10-0 start last season.

"We said that a quick start was important and we won't regret these points at the end," Luc Robitaille said. "We've got to keep playing as a team because we've got a lot of guys going right now."

NHL HIGHLIGHTS

They include Sandstrom and Cullen, who never got going last season. Sandstrom, who stayed in shape during the NHL lockout by playing in his native Finland, already has four goals, just two fewer than he scored in 33 regular-season and playoff games with Pittsburgh last year. Cullen had only 13 goals in 53 games for Toronto.

Flyers 4, Sabres 2: Eric Lindros scored his fourth goal of the season and assisted on the other three goals as host Philadelphia, which began the season 3-for-32 on the power play, scored twice with the man advantage.

Bruins 5, Whalers 4: Jozef Stumpel finished a 3-on-1 breakaway with his first goal this season, which gave Boston its victory over visiting Hartford.

Boston's Blaine Lacher had 28 saves, including one on a breakaway by Steve Rice with 9:30 left. The Bruins' rookie also stopped a point-blank slapshot by Andrew Cassels a minute later, setting up Stumpel's game-winner.

Rangers 2, Senators 1: Nick Kypreos and Sergei Nemchinov gave New York its victory in Ottawa as the defending Stanley Cup champions padded their dismal 3-5-1 start to the shortened 1995 season with a second victory against the winless Senators.

Blues 7, Stars 4: Brett Hull scored three goals, giving him a league-leading nine in eight games, as St. Louis won at home.

Hull, with 22 hat tricks, is tied for third-highest among active players with Jari Kurri. Wayne Gretzky holds the NHL record with 49 and Mario Lemieux has 31.

Flames 4, Maple Leafs 1: German Titov scored three goals to lead host Calgary to its victory.

Titov scored once in the second period and twice in the third as the Flames handed the Maple Leafs their second straight loss on the road.

No. 1 Massachusetts Falls To George Washington

The Associated Press

With President Bill Clinton looking on, Kwame Evans scored 27 points and George Washington broke Massachusetts' 16-game winning streak with a 78-75 upset of the No. 1 Minutemen.

Massachusetts rallied from a six-point deficit in the last 38 seconds on Saturday to close to 76-75 on a 3-point basket by Edgar Padilla with 10 seconds remaining.

But the Colonials stayed on top as Vaughn Jones sank two free throws with 4.6 seconds left for the final margin.

When Derek Kellogg's half-court shot fell short at the buzzer, the fans stormed the court and hoisted Evans overhead. The crowd then stood for several minutes, cheering, and waving at Clinton, who smiled and waved back.

No. 2 North Carolina 82, North Carolina St. 63: In Chapel Hill, North Carolina, Jerry Stackhouse scored 21 points as North Carolina avenged its only loss of the season and moved into sole possession of first place in the Atlantic Coast Conference.

The victory, coupled with George Washington's upset of Massachusetts, cleared the way for the Tar Heels to move the top of the polls.

No. 3 Kansas 91, No. 11 Iowa State 71: Greg Ostertag broke the Big Eight record for career blocked shots and Kansas sank its first 10 shots of the second half.

Avenging an earlier loss at Iowa State, the Jayhawks outscored the visitors, 18-1, beginning the second half and led by as many as 32 while beating the Cyclones at home for the 13th straight year.

No. 4 Connecticut 99, St. John's 82: In New York, Brian Fair's five 3-pointers in the second half led Connecticut past St. John's and into the Big East Conference record book.

It was the 15th consecutive regular-season conference victory for the Huskies, breaking the tie they held with the 1984-85 St. John's team.

No. 21 Georgia Tech 100, No. 5 Maryland 91: Travis Best scored 30 points and freshman Matt Harpring 28 as Georgia Tech snapped Maryland's six-game winning streak.

The Yellow Jackets extended their home winning streak to 15 games.

Mississippi State 83, No. 8 Arkansas 62: Darryl Wilson scored 25 points as Mississippi State took over the lead in the Southeastern Conference Western Division.

The Bulldogs won their third game in five days and beat the Razorbacks at home for the third straight season.

COLLEGE HIGHLIGHTS

No. 9 Michigan St. 67, Ohio St. 58: In Columbus, Ohio, Shawn Respert had 32 points, became Michigan State's career scoring leader and scored his team's final 13 points.

The Spartans went 7:19 of the second half without scoring and 11:11 without a field goal as Ohio State cut a 19-point deficit to four. But Respert took over down the stretch to give the Spartans their seventh straight victory.

No. 12 Arizona 91, Washington 65: Damon Stoudamire scored 24 points and Arizona used two big scoring runs to move into a tie with UCLA for first place in the Pac-10.

Arizona, playing at home, erased most doubt early on, outscoring the Huskies 21-2 on the way to a 42-23 halftime lead.

Miami 67, No. 13 Georgetown 61: The Miami Hurricanes took, playing at home, advantage of a late technical foul against coach John Thompson and upset Georgetown.

The technical, which came when Thompson protested a foul call with 4:14 left, cost Georgetown momentum and allowed the Hurricanes to score four points on their next possession for a 60-49 lead.

No. 14 Wake Forest 68, Winthrop 54: In Rock Hill, South Carolina, Randolph Childress scored 15 of his 17 points in the second half and Tim Duncan had 13 points and a career-high 23 rebounds to lead Wake Forest.

The Demon Deacons, who won for the fifth time in six games, used an 18-4 run in the second half to shake off Winthrop, which trailed only 42-40 with 12 minutes left. LaShawn Coulter had 18 points to lead the Eagles.

No. 15 Virginia 76, Florida St. 63: Virginia continued its charmed life in overtime as Harold Deane scored 11 of the Cavaliers' 17 extra-period points.

Virginia, playing at home, won its eighth consecutive overtime game, including three this season, by overcoming a season-low 34.9 percent field-goal shooting.

No. 17 Stanford 95, Oregon State 82: Brevin Knight and David Harbour each scored 23 points and Stanford held off Oregon State for a 95-82 victory at home.

Stanford survived Brent Barry's 28-point barrage by outrebounding Oregon State, 39-28. Tim Young had a career-high 13 rebounds to go with his 17 points.

No. 18 Missouri 77, Kansas St. 60: In Manhattan, Kansas, Julian Winfield scored 18 points and Missouri went on a 15-2 run at the start of the second half to beat Kansas State.

Missouri started the second period with consecutive 3-pointers by Jason Sutherland and Paul O'Liney. Sammie Haley had two baskets in a run that gave the Tigers a 56-44 lead with just under 15 minutes to play, and held off the Wildcats the rest of the way.

No. 19 Villanova 79, Pittsburgh 76: Kerry Kittles scored 10 of his 26 points in overtime and Villanova rallied from a 10-point deficit late in regulation to beat Big East doormat Pittsburgh.

The Wildcats overcame 21 turnovers, a 43-29 rebounding deficit and a 56-46 Pitt lead to win their seventh in a row.

Georgia 72, No. 20 Alabama 58: Katu Davis scored 25 points and hit 13 of 14 foul shots as Georgia defeated Alabama.

Alabama never led and was showered with boos from an angry home crowd.

No. 22 Oregon 94, California 86: Orlando Williams scored 23 points, including four 3-pointers in the second half, as Oregon sent the Bears to a school-record sixth straight home loss.

NASDAQ NATIONAL MARKET

Consolidated trading for week ended Friday, Feb. 3.

(Continued)

Spain's Luna Wins Madeira Island Open

The Associated Press

FUNCHAL, Madeira — Santiago Luna of Spain won his first European PGA tournament Sunday with a 16-under-par 272 for 72 holes of the Madeira Island Open.

Luna, who led from the first round Thursday, carded four birdies and two bogeys Sunday for a 70.

Windy condition were blamed for mostly higher scores across the board and the problems encountered by others of Saturday's leaders.

Christian Cevaer of France came from fourth place to finish second, four strokes behind Luna with a fourth-round 69. Paul Curry of England took third place, at 279, after shooting 71.

Tied at fourth at 281 were Olle Karlsson of Sweden, Dean Robertson of Scotland, José Coceres of Argentina, Iain Pyman of England and Steen Tinning of Denmark.

The 32-year-old Luna began playing golf at Madrid's Puerto de Hierro course, where his father is a maintenance manager. He was coached by Ramon Sota, uncle of Spain's most famous golfer, Seve Ballesteros.

"Seve always told me I had the game to win a tournament," said Luna. "It's a realy nice feeling to win."

The tournament was played on the hilly, 6,039-meter course of the Madeira Golf Club, some 700 meters above sea level on this volcanic island, 1,000 kilometers off the Portuguese coast.

- Kenny Perry shot 67 and held a three-stroke lead going into Sunday's final round of the AT&T National Pro-Am at Pebble Beach, California.

Peter Jacobson, Brad Faxon, David Duval and Guy Boros were tied for second at 10-under-par 206. Davis Love III, Nick Faldo and Payne Stewart were at nine under.

Jack Nicklaus, who was 3 under after two days, came back Saturday with a 67 at Pebble Beach for an 8-under 208. The 55-year-old has won the tournament three times, in 1967, 1972 and 1973.

The first three rounds were played on three different courses. Sunday's final round will be played at Pebble Beach.

Perry eagled his 11th hole at Pebble Beach, which was still wet from 26 straight days of rain in January.

PGA officials kept the "lift, clean and place" rule in effect Saturday to help compensate for course conditions.

'Enough' of Violence, Italy's 'Ultra' Fans Say

Reuters

ROME — A group of Italian soccer fans known as the 'Ultras,' called Sunday for an end to the violence that cost a Genoa fan his life a week ago.

Some 400 'Ultras' representing 40 Italian clubs gathered in Genoa to honor Vincenzo Spagnolo, who was stabbed Jan. 29 before his team's match against AC Milan.

"After this umpteenth absurd attack, we say enough is enough," the 'Ultras' said.

Italy's soccer stadiums stood empty Sunday as the national sport was suspended following Spagnolo's death.

SIDELINES

Work Begins on Imola Prix Track

IMOLA, Italy (Reuters) — Work to modify the Imola Formula One race track, where Aryton Senna crashed and was killed last year, began Saturday after the Italian government approved a $6 million rebuilding plan.

Federico Bendinelli, of the SAGIS company which runs the circuit, said the San Marino Grand Prix would go ahead as scheduled on April 30 after the environment ministry gave the plan the green light on Friday.

Bendinelli said "the nightmare was over" and that SAGIS had begun modifying the Tamburello, Villeneuve and lower Variante curves as they reconstruct some 50 percent of the track to bring it into line with new safety standards.

Triple Crown Entries Decline to 317

HALLANDALE, Florida (NYT) — A total of 317 horses have been nominated for the Triple Crown races, 37 fewer than last year. Ten came from Britain and, for the first time, two were nominated from Japan.

"The drop in nominations," said Edward Seigenfeld, executive director of Triple Crown Productions, "reflects the recent decline in the foal crop in North America. But the list includes all the runners from last year's Breeders' Cup Juvenile as well as all the top 3-year-olds in the country."

For the Record

The **Porsche Spyder K-8** driven by Jürgen Lassig and Marco Werner of Germany, Christophe Bouchut of France and Giovanni Lavaggi of Italy held a seven-lap lead with two hours to go in the Rolex 24-Hours sports car endurance race in Daytona Beach, Florida. *(AP)*

Pete Carroll, fired as the New York Jets' head coach after their disastrous late slump, was hired as the defensive coordinator of the Super Bowl champion San Francisco 49ers; because he had three years left on his contract, the Jets will pay him the difference between the salaries. *(NYT)*

Mike Gatting, 37, the last England captain to win an Ashes series, said he is retiring from international cricket at the end of the current test against Australia in Perth. *(Reuters)*

Barry Fry, manager of the Birmingham City soccer team, said that his goalkeeper, Ian Bennett, had been offered £20,000 by two men posing as journalists to throw the recent FA Cup replay with Liverpool. *(AFP)*

Choi Hee Yong of South Korea defeated Leo Gámez of Venezuela by unanimous decision in Seoul to become the WBA junior flyweight champion. *(AP)*

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

Atlantic Division

	W	L	Pct	GB
Orlando	35	10	.778	—
New York	29	14	.674	5
Boston	17	27	.386	17½
New Jersey	18	30	.375	18½
Miami	16	28	.364	18½
Philadelphia	14	32	.304	21½
Washington	11	31	.262	22½

Central Division

	W	L	Pct	GB
Charlotte	29	16	.644	—
Cleveland	27	18	.600	2
Indiana	26	18	.591	2½
Chicago	22	23	.489	7
Atlanta	20	26	.435	9½
Detroit	16	27	.372	12
Milwaukee	17	29	.370	12½

WESTERN CONFERENCE

Midwest Division

	W	L	Pct	GB
Utah	34	12	.739	—
San Antonio	29	14	.674	3½
Houston	27	15	.643	5
Denver	20	24	.455	13
Dallas	18	26	.409	15
Minnesota	10	34	.227	23

Pacific Division

	W	L	Pct	GB
Phoenix	36	9	.800	—
Seattle	31	11	.738	3½
L.A. Lakers	27	16	.628	8
Sacramento	25	19	.568	10½
Portland	23	20	.535	12
Golden State	13	29	.310	21½
L.A. Clippers	7	39	.152	29½

FRIDAY'S RESULTS

New York 30 23 29 33—115
Philadelphia 24 24 19 19— 86

NY: Ewing 12-14 6-8 30, Starks 7-14 5-6 24; P: Weatherspoon 7-15 5-6 19, Barros 5-14 5-6 16. Rebounds—New York 44 (Ewing 15), Philadelphia 39 (Bradley 8). Assists—New York 28 (Harper 7), Philadelphia 16 (Weatherspoon 5).

Miami 25 28 27 25—105
Washington 34 23 12 26— 95

M: Geiger 8-12 5-7 21, Owens 13-27 4-6 30; W: Webber 8-20 0-0 17, Chapman 7-15 2-4 20. Rebounds—Miami 57 (Geiger, Owens 12), Washington 48 (Howard 14). Assists—Miami 14 (Askins, Rice, Coles 3), Washington 17 (Skiles 9).

Milwaukee 23 28 21 26— 98
Charlotte 19 35 31 32—117

M: Robinson 12-26 2-3 28, Baker 10-19 0-2 20. C: Burrell 8-13 1-2 20, Bogues 11-16 1-1 23. Rebounds—Milwaukee 54 (Conlon 11), Charlotte 47 (Johnson, Mourning, Parish 7). Assists—Milwaukee 25 (Murdock 11), Charlotte 32 (Johnson 10).

Orlando 27 22 25 32—106
Indiana 29 23 31 35—118

O: O'Neal 7-18 6-8 20, Hardaway 9-19 1-2 20; I: McKey 7-13 7-11 21, Smits 10-16 7-9 27, Miller 8-17 3-3 21. Rebounds—Orlando 45 (O'Neal 10), Indiana 51 (Smits 10). Assists—Orlando 26 (Hardaway 7), Indiana 21 (Miller 5).

Seattle 30 31 21 39—121
Atlanta 30 19 27 22— 98

S: Kemp 4-8 10-11 18, Payton 9-12 1-2 22; A: Augmon 7-13 3-3 17, Smith 7-16 2-2 18. Rebounds—Seattle 54 (Gill 8), Atlanta 57 (Long 11). Assists—Seattle 30 (Payton 9), Atlanta 20 (Smith 5).

Portland 26 23 31 32—112
Minnesota 20 26 24 27— 97

P: C.Robinson 10-16 2-2 22, Drexler 4-13 7-7 16; M: Laettner 7-19 10-12 24, Rider 10-24 8-10 30. Rebounds—Portland 56 (Dudley 11), Minnesota 49 (Laettner 8). Assists—Portland 25 (Strickland 14), Minnesota 25 (Laettner, Rider 6).

San Antonio 30 28 31 25—114
Dallas 25 20 22 36—103

S: Elliott 7-11 2-2 16, Robinson 8-17 4-6 20; D: Mashburn 9-18 0-0 21, Jackson 6-16 10-12 22. Rebounds—San Antonio 59 (Rodman 20), Dallas 51 (Jones 6). Assists—San Antonio 32 (Johnson 14), Dallas 17 (Kidd 5).

Chicago 29 28 21 22—100
Phoenix 25 28 30 27—110

C: Pippen 11-22 3-4 26, Harper 6-13 2-2 15; P: Barkley 5-10 9-11 19, Manning 10-24 10-12 30. Rebounds—Chicago 51 (Pippen 11), Phoenix 48 (Manning 14). Assists—Chicago 25 (Pippen 7), Phoenix 21 (Ainge 7).

Denver 27 17 23 21—88
L.A. Lakers 19 17 18 20—74

D: Rogers 8-18 7-8 24, Stith 5-10 5-7 15; L: Divac 12-26 2-2 27, Van Exel 5-17 2-2 13. Rebounds—Denver 62 (Mutombo 21), Los Angeles 41 (Divac 15). Assists—Denver 18 (Rose 7), Los Angeles 22 (Van Exel 6).

L.A. Clippers 18 16 22 33— 89
Golden State 23 35 27 21—106

L: Dehere 4-11 5-6 13, Massenburg 4-8 4-6 12; G: Rogers 7-10 4-6 18, Gatling 8-11 4-4 20. Rebounds—Los Angeles 50 (Outlaw 8), Golden State 70 (Rogers 17). Assists—Los Angeles 24 (Richardson 6), Golden State 32 (Hardaway 14).

SATURDAY'S RESULTS

Indiana 24 14 19 16—73
Cleveland 27 27 15 19—82

I: Miller 7-14 2-3 19, McKey 4-14 4-4 12; C: J.Williams 7-14 5-5 19, Phills 8-13 1-2 17. Rebounds—Indiana 37 (Smits 10), Cleveland 55 (Hill 14). Assists—Indiana 19 (Jackson 6), Cleveland 18 (Brandon 7).

Atlanta 21 20 22 15—78
Detroit 27 27 10 20—84

A: Long 7-16 1-2 15, Blaylock 4-13 7-8 16; D: Hill 7-17 8-11 22, Mills 4-11 7-8 18. Rebounds—Atlanta 53 (Long 12), Detroit 53 (Mills 17). Assists—Atlanta 20 (Blaylock 9), Detroit 17 (Hill 6).

Boston 21 29 23 19—92
New Jersey 17 23 24 14—78

B: Wilkins 5-16 4-5 17, Montross 6-10 0-0 12; N: Benjamin 6-13 3-3 15, Morris 6-16 6-8 20. Rebounds—Boston 50 (Radja 16), New Jersey 60 (Gilliam 14). Assists—Boston 22 (Douglas 6), New Jersey 23 (Childs 7).

Philadelphia 25 19 39 19—102
Milwaukee 24 13 24 35— 96

P: Weatherspoon 7-18 6-7 20, Barros 10-15 8-10 31; M: Baker 4-9 8-10 16, Robinson 9-19 3-3 22. Rebounds—Philadelphia 44 (Weatherspoon 10), Milwaukee 48 (Baker 18). Assists—Philadelphia 15 (Barros 7), Milwaukee 20 (Murdock 6).

Utah 24 24 20 30— 98
Dallas 24 35 31 29—119

U: Malone 9-20 4-9 22, Stockton 6-9 6-6 20; D: Mashburn 7-12 10-12 25, Jackson 10-19 8-10 30, McCloud 9-11 1-1 22. Rebounds—Utah 42 (Malone 10), Dallas 63 (Jones, Williams 15). Assists—Utah 25 (Stockton 10), Dallas 23 (Kidd 9).

Sacramento 28 21 32 13—96
San Antonio 36 23 19 19—97

S: Richmond 8-15 0-2 19, Abdelnaby 12-16 0-2 24; SA: Elliott 3-11 4-4 12, Robinson 12-21 10-12 34. Rebounds—Sacramento 44 (Polynice 8), San Antonio 53 (Rodman 22). Assists—Sacramento 24 (Webb 9), San Antonio 24 (Johnson 10).

L.A. Lakers 32 31 33 25—121
L.A. Clippers 27 33 27 31—118

LAL: Jones 9-16 9-10 30, Van Exel 8-19 0-0 20, Peeler 10-17 6-6 27; LAC: Vaught 12-20 3-3 28, Sealy 14-21 6-7 34, Massenburg 7-10 6-6 20. Rebounds—Lakers 42 (Jones, Divac, Peeler, Rambis 5), Clippers 34 (Vaught 10). Assists—Lakers 23 (Van Exel 7), Clippers 26 (Richardson 7).

Top 25 College Results

How the top 25 teams in The Associated Press' men's college basketball poll fared this weekend:

1. Massachusetts (17-2, 9-1) lost to George Washington (14-8, 7-3) 78-75. Next: at Rutgers, Tuesday; 2. North Carolina (18-1, 8-1) beat North Carolina State (10-9, 2-7) 82-63. Next: at No. 5 Maryland, Tuesday. 3. Kansas (17-2, 6-1) beat No. 11 Iowa State 91-71. Next: at Oklahoma State, Monday; 4. Connecticut (17-1, 10-0) beat St. John's (9-9, 2-8) 99-82. Next: vs. Pittsburgh, Monday.

5. Maryland (17-4, 7-2) lost to No. 21 Georgia Tech 100-91. Next: vs. No. 2 North Carolina, Tuesday; 8. Arkansas (17-5, 6-4) lost to Mississippi State (14-4, 6-2) 83-62. Next: vs. Memphis, Thursday; 9. Michigan State (16-2, 8-1) beat Ohio State (4-15, 0-9) 67-58. Next: vs. Purdue, Tuesday; 11. Iowa State (17-5, 3-4) lost to No. 3 Kansas 91-71. Next: at No. 18 Missouri, Wednesday.

12. Arizona (17-4, 7-2) beat Washington (5-12, 1-8) 91-65. Next: vs. No. 17 Stanford, Thursday; 13. Georgetown (14-5, 7-4) lost to Miami (9-8, 4-6) 67-61. Next: at Boston College, Wednesday; 14. Wake Forest (14-4) beat Winthrop (6-13) 68-54. Next: at Florida State, Wednesday; 15. Virginia (13-6, 6-3) beat Florida State (10-8, 3-6) 76-63, OT. Next: vs. North Carolina State, Wednesday.

17. Stanford (15-3, 6-3) beat Oregon State (6-12, 3-6) 95-82. Next: at No. 12 Arizona, Thursday; 18. Missouri (16-3, 5-2) beat Kansas State (11-9, 2-6) 77-60. Next: vs. No. 11 Iowa State, Wednesday; 19. Villanova (15-5, 8-2) beat Pittsburgh (5-14, 1-10) 79-76, OT. Next: vs. Miami, Tuesday; 20. Alabama (15-5, 6-3) lost to Georgia (13-5, 4-4) 72-58. Next: vs. Southern Mississippi, Tuesday.

21. Georgia Tech (15-6, 6-3) beat No. 5 Maryland 100-91. Next: at Duke, Thursday. 22. Oregon (13-5, 5-4) beat California (11-7, 3-6) 94-86. Next: vs. Oregon State, Saturday. 23. Cincinnati (15-7, 5-2) lost to Memphis (16-5, 5-1) 74-69, OT. Next: vs. Marquette, Sunday.

Other Major College Scores

Friday's Games

EAST

Brown 67, Princeton 65, OT
Dartmouth 87, Cornell 72
Drexel 76, Delaware 69
Harvard 58, Columbia 56
Manhattan 72, Canisius 60
Penn 66, Yale 55
St. Peter's 72, Niagara 64

FAR WEST

Montana 76, Idaho 71
Montana St. 74, E. Washington 55

Saturday's Games

EAST

Bucknell 77, Army 59
Buffalo 56, NE Illinois 52
Colgate 88, Holy Cross 74
Cornell 71, Harvard 61
Dartmouth 77, Columbia 57
Fordham 76, Lehigh 64
Hartford 79, Vermont 65
Iona 99, Loyola, Md. 80
La Salle 92, Loyola, Ill. 71
Long Island U. 76, Monmouth, N.J. 74
Marist 65, Fairfield 53
Mount St. Mary's, Md. 81, Robert Morris 62
Navy 84, Lafayette 70
New Hampshire 83, Maine 70
Northeastern 83, Boston U. 63
Penn 95, Brown 83
Penn St. 74, Iowa 64
Princeton 58, Yale 42
Seton Hall 82, Boston College 75
St. Bonaventure 69, Rhode Island 66
St. Francis, Pa. 67, Rider 66
St. Joseph's 71, West Virginia 65
Troy St. 100, Cent. Connecticut St. 88
Wagner 75, St. Francis, NY 58

SOUTH

Ala.-Birmingham 70, St. Louis 54
American U. 79, East Carolina 65
Austin Peay 73, Tenn.-Martin 59
Bethune-Cookman 95, Florida A&M 91
Centenary 70, Fla. International 68
Charleston Southern 61, N.C.-Asheville 57
Clemson 51, Duke 44
Coastal Carolina 88, Erskine 64
Coll. of Charleston 66, Samford 66
Coppin St. 79, Howard U. 63
E. Kentucky 78, Murray St. 75
Furman 76, Appalachian St. 60
Georgia St. 77, Campbell 66
Jackson St. 99, Prairie View 72
James Madison 95, Old Dominion 79
LSU 56, Tennessee 52
Louisiana Tech 70, Arkansas St. 55
Louisville 71, Tulane 56
Marshall 76, Citadel 62
Md.-Baltimore County 62, Liberty 59
Mercer 87, Stetson 82
Miss. Valley St. 95, Alcorn St. 91, OT
Mississippi 77, Auburn 75
Morehead St. 88, SE Missouri 49
N. Carolina A&T 70, Md.-E. Shore 68
N.C.-Wilmington 83, George Mason 63
NE Louisiana 76, North Texas 69
Radford 76, Towson St. 62
Richmond 66, William & Mary 64
SE Louisiana 91, Cent. Florida 90
SW Louisiana 66, Jacksonville 62
South Carolina 76, Vanderbilt 74
South Florida 72, N.C. Charlotte 69
Southern Miss. 74, Va. Commonwealth 66
Southern U. 103, Grambling St. 86
Tennessee Tech 79, Tennessee St. 73
Texas Southern 78, Alabama St. 74
Texas-Arlington 75, NW Louisiana 67
Tn.-Chattanooga 87, E. Tennessee St. 76
VMI 84, Georgia Southern 79
Virginia Tech 79, Florida Atlantic 35
W. Carolina 69, Davidson 68

MIDWEST

Bowling Green 79, Kent 76
Chicago St. 90, Youngstown St. 85
E. Michigan 86, Akron 71
Evansville 85, Creighton 54
Ill.-Chicago 94, Wright St. 83
Illinois St. 83, Wichita St. 82, OT
Indiana 88, Northwestern 67
Miami, Ohio 80, Ohio U. 69
Minnesota 80, Michigan 58
N. Illinois 89, Wis.-Milwaukee 61
N. Iowa 77, Indiana St. 76
S. Illinois 79, Drake 74
SW Missouri St. 68, Bradley 65
Toledo 82, Ball St. 62
Valparaiso 78, Mo.-Kansas City 57
W. Illinois 85, E. Illinois 69
W. Michigan 71, Cent. Michigan 54
Wis.-Green Bay 61, Butler 60
Wisconsin 73, Illinois 60
Xavier, Ohio 72, Detroit 65

SOUTHWEST

Ark.-Little Rock 70, Texas-Pan American 58
Nicholls St. 77, SW Texas St. 65
Oklahoma St. 94, Colorado 67
Stephen F.Austin 66, Sam Houston St. 63
Texas 88, Rice 56
Texas A&M 80, Baylor 78
Texas Tech 107, Texas Christian 88
Texas-El Paso 65, Utah 61
Texas-San Antonio 96, McNeese St. 80
Tulsa 70, W. Kentucky 68

FAR WEST

Brigham Young 74, New Mexico 72
Colorado St. 78, Fresno St. 60
Gonzaga 93, Pepperdine 67
Hawaii 65, San Diego St. 58
Idaho 79, Montana St. 70
Idaho St. 78, Boise St. 68
Long Beach St. 62, Utah St. 50
Montana 74, E. Washington 65
New Mexico St. 102, UC Irvine 77
Pacific 73, San Jose St. 56
Portland 71, Loyola Marymount 61
Sacramento St. 74, Cal Poly-SLO 64
Santa Clara 80, San Francisco 63
St. Mary's, Cal. 72, San Diego 68
UC Santa Barbara 80, Nevada 68
UNLV 69, Cal St.-Fullerton 53
Weber St. 72, N. Arizona 63
Wyoming 78, Air Force 55

HOCKEY

NHL Standings

EASTERN CONFERENCE

Atlantic Division

	W	L	T	Pts	GF	GA
N.Y. Islanders	4	3	1	9	24	25
Tampa Bay	3	4	1	7	24	27
Florida	3	5	1	7	20	24
N.Y. Rangers	3	5	1	7	23	21
Philadelphia	3	5	1	7	22	28
New Jersey	2	4	1	5	11	17
Washington	2	4	1	5	11	17

Northeast Division

	W	L	T	Pts	GF	GA
Pittsburgh	7	0	0	14	33	21
Quebec	6	1	0	12	28	12
Boston	5	2	0	10	20	14
Buffalo	4	3	1	9	18	19
Montreal	3	2	2	8	17	15
Hartford	2	3	2	6	16	15
Ottawa	0	6	2	2	18	30

WESTERN CONFERENCE

Central Division

	W	L	T	Pts	GF	GA
St. Louis	6	2	0	12	37	23
Detroit	6	3	0	12	34	21
Chicago	5	3	0	10	31	19
Toronto	3	4	2	8	24	27
Dallas	3	4	1	7	26	20
Winnipeg	1	5	2	4	22	29

Pacific Division

	W	L	T	Pts	GF	GA
San Jose	5	1	1	11	19	14
Calgary	4	3	1	9	24	21
Anaheim	3	5	0	6	20	36
Edmonton	3	5	0	6	20	33
Los Angeles	2	4	1	5	20	25
Vancouver	1	3	2	4	14	25

FRIDAY'S RESULTS

Chicago 1 1 1 1—4
Calgary 1 1 1 0—3

First Period: C-Suter 2 (Nicholls, Chelios); (pp). C-Titov 4 (Patrick, Sullivan); Second Period: C-Titov 5 (Chiasson, Housley); (pp). C-Weinrich 1.Third Period: C-Fleury 3 (Nieuwendyk); C-Chelios 3 (Poulin, Suter); Overtime: C-Amonte 2 (Roenick, Poulin); Shots on goal: C 13-9-8-1—31. C 6-13-7-4—30. Goalies: C, Hackett. C, Kidd.

Toronto 0 2 1—3
Edmonton 0 2 3—5

First Period: None.Second Period: T-Wood 2 (Eastwood, Berehowsky); E-DeBrusk 1 (Pearson, Esau); T-Sundin 4 (Gilmour); E-Corson 2 (Arnott, Buchberger); Third Period: E-Oksiuta 5 (Esau, Weight); (pp). T-Berg 2 (Borchevsky, Ridley); E-Marchant 2 (Stapleton); E-Corson 3 (Arnott, Kennedy); (en). Shots on goal: T 6-11-6—23. E 11-10-16—37. Goalies: T, Potvin. E, Brathwaite.

Detroit 2 2 1—5
Anaheim 1 0 1—2

First Period: D-Brown 2 (Fedorov); A-Corkback 2 (Kurvers); D-Sheppard 7 (Coffey, Primeau); Second Period: D-McCarty 1 (Primeau, Konstantinov); D-Kozlov 2 (Ciccarelli, Fedorov); Third Period: D-Sheppard 8 (Sillinger, Yzerman); (pp). A-Douris 3 (Krygier, Dirk); Shots on goal: D 8-24-12—44. A 7-8-5—20. Goalies: D, Vernon. A, Hebert.

SATURDAY'S RESULTS

Buffalo 0 1 1—2
Philadelphia 1 3 0—4

First Period: P-Renberg 1 (Lindros, Beranek); Second Period: P-Galley 2 (Lindros, Brind'Amour); (pp). B-Mogilny 2 (Boucher, Plante); P-Fedyk 3 (Lindros, Beranek); (pp). P-Lindros 4.Third Period: B-Boucher 1 (Mogilny, May); Shots on goal: B 17-5-9—31. P 7-11-3—21. Goalies: B, Fuhr. P, Roussel.

Hartford 2 1 1—4
Boston 2 1 2—5

First Period: B-Donato 1 (Neely, Sweeney); B-Oates 3 (Neely, Bourque); (pp). H-Turcotte 3 (Kucera, Corson); (pp). H-Janssens 1 (Drury, Rice); Second Period: B-Oates 4 (Sweeney, Bourque); H-Wesley 1 (Kron, Cassels); Third Period: H-Rice 1 (Ranheim); B-Shaw 1 (Heinze, Oates); B-Stumpel 1 (Sweeney, Heinze); Shots on goal: H 14-8-10—32. B 21-10-22—53. Goalies: H, Burke. B, Lacher.

Tampa Bay 0 1 2—3
Pittsburgh 0 3 3—6

First Period: None.Second Period: P-Sandstrom 3 (Straka, Hudson); T-Tucker 4. P-Jagr 6 (Francis, Sandstrom); (pp). P-Cullen 3 (Sandstrom, Joseph); Third Period: T-Hamrlik 4 (Chambers, Tucker); (pp). P-Sandstrom 4 (Mullen); P-Francis 3 (Robitaille, U. Samuelsson); P-Cullen 4 (Mullen, Joseph); T-Chambers 1 (Andersson, Savard); Shots on goal: T 8-11-21—40. P 6-8-11—25. Goalies: T, Bergeron. P, Wregget.

New Jersey 0 0 0—0
Quebec 0 1 1—2

First Period: None.Second Period: Q-Ricci 1 (Sakic, Clark); (pp).Third Period: Q-Kovalenko 4 (Clark, Sakic); Shots on goal: N.J. 10-10-5—25. Q 6-8-7—21. Goalies: N.J., Terreri. Q, Thibault.

Florida 0 2 0—2
Washington 1 1 1—3

First Period: W-Poulin 1 (Tabaracci); (sh).Second Period: F-Lomakin 1 (Belanger, Barnes); (pp). F-Smith 1 (Mellanby, Fitzgerald); W-Miller 1 (Poulin, Berube); Third Period: W-Johansson 1 (Hunter, Khristich); (pp). Shots on goal: F 5-7-5—17. W 12-14-12—38. Goalies: F, Vanbiesbrouck. W, Tabaracci.

N.Y. Islanders 1 0 1—2
Montreal 2 2 0—4

First Period: M-Keane 2 (Damphousse, Muller); N.Y.-Turgeon 5,(sh) M-Keane 3 (Brunet); Second Period: M-DiPietro 1 (Keane, Brunet); M-Bellows 1 (Desjardins); Third Period: N.Y.-Ferraro 5 (Flatley, Pilon); Shots on goal: N.Y. 17-12-5—34. M 12-13-15—40. Goalies: N.Y., Soderstrom. M, Roy.

N.Y. Rangers 1 1 0—2
Ottawa 0 1 0—1

First Period: N.Y.-Kypreos 1 (Messier, Lowe); Second Period: N.Y.-Nemchinov 1 (Kovalev, Osborne); O-McLlwain 1.(pp).Third Period: None. Shots on goal: N.Y. 8-14-8—30. O 4-8-5—17. Goalies: N.Y., Richter. O, Beaupre.

San Jose 0 2 1 0—3
Winnipeg 1 1 1 0—3

First Period: W-Tkachuk 6 (Quintal, Zhamnov); (pp).Second Period: S.J.-Elik 1 (Whitney, Pederson); (pp). W-Domi 1 (Wilkinson); S.J.-Duchesne 1 (Ozolinsh, Larionov); Third Period: W-Tkachuk 7 (Selanne, Quintal); S.J.-Elik 2 (Bykin, More); Overtime: None. Shots on goal: S.J. 8-12-9-3—32. W 16-9-10-3—38. Goalies: S.J., Irbe. W, Khabibulin.

Dallas 2 1 1—4
St. Louis 2 3 2—7

First Period: D-Courtnall 2 (Ledyard, K. Hatcher); SL-Hull 7 (Tikkanen, Duchesne); (sh)D-Ledyard 1.(pp), SL-Chasse 3 (Dufresne); Second Period: D-K. Hatcher 2 (Gilchrist, N. Broten); SL-Hull 8 (Shanahan, Houlder); SL-Hull 9 (Gilbert, Duchesne); SL-Gilbert 3.Third Period: SL-Tikkanen 4 (Hull); (sh)1D-Kennedy 3 (Cavallini); 1SL-Chasse 4 (Laperriere); Shots on goal: D 9-8-11—28. S.L. 12-12-3—27. Goalies: D, Wakaluk. Moog. S.L., Joseph, Casey.

Detroit 0 1 2—3
Los Angeles 1 2 1—4

First Period: L.A.-Sydor 2 (Gretzky, Kurri); (pp).Second Period: D-Fedorov 5 (Brown, Kozlov); L.A.-Tocchet 3 (McSorley, Kurri): (pp). L.A.-Tocchet 4 (Conacher, Zhitnik); Third Period: D-Primeau 1 (Rouse, Kozlov); L.A.-Tocchet 5 (Granato, Huddy); D-Sheppard 9 (Yzerman, Primeau); (pp). Shots on goal: D 9-12-14—35. L.A. 14-12-7—33. Goalies: D, Vernon. L.A., Hrudey.

Toronto 0 1 0—1
Calgary 1 1 2—4

First Period: C-Reichel 2 (Fleury, Zalapski); Second Period: C-Titov 6 (Reichel); T-Ridley 3 (Yake, Andreychuk); (pp).Third Period: C-Titov 7 (Chiasson, Fleury); (pp). C-Titov 8 (Patrick); (sh-en). Shots on goal: T 14-8-16—38. C 11-18-10—39. Goalies: T, Potvin. C, Kidd.

SKIING

World Cup Results

MEN'S GIANT SLALOM

Results of Saturday's race in Adelboden, Switzerland with times of first 51-gate run and second 53-gate run in parentheses:

1. Alberto Tomba, Italy, 2 minutes, 21.96 seconds (1:10.68; 1:11.28); 2. Jure Kosir, Slovenia, 2:22.03 (1:10.75; 1:11.28); 3. Harald Strand-Nilsen, Norway, 2:22.10 (1:10.34; 1:11.76); 4. Richard Kroell, Austria, 2:22.32 (1:11.14, 1:11.18); 5. Fredrik Nyberg, Sweden, 2:22.74 (1:11.25; 1:11.49); 6. Lasse Kjus, Norway, 2:22.76 (1:11.12; 1:11.64); 7. Achim Vogt, Liechtenstein, 2:22.86 (1:11.70; 1:11.26); 8. Michael von Gruenigen, Switzerland, 2:23.30 (1:11.62, 1:11.68); 9. Urs Kaelin, Switzerland, 2:23.46 (1:11.63, 1:11.83); 10. Rainer Salzgeber, Austria, 2:23.64 (1:11.74, 1:11.92).

Overall Men Giant Slalom Standings (After 5 races): 1. Tomba, 350 points; 2. Kaelin, 244; 3. Strand-Nilsen, 238; 4. Kosir, 225; 5. Von Grueningen, 224; 6. Kjetil-Andre Aamodt, Norway, 212; 7. Vogt, 194; 8. Guenther Mader, Austria, 132; 9. Kjus, 126; 10. Christian Mayer, Austria, 125.

Overall World Cup Standings (After 22 events): 1. Tomba, 1,050 points; 2. Kosir, 570; 3. Marc Girardelli, Luxembourg, 563; 4. Mader, 500; 5. Aamodt, Norway, 492; 6. Luc Alphand, France, 469; 7. Von Gruenigen, 440; 8. Strand-Nilsen, 436; 9. Kjus, 403; 10. Armin Assinger, Austria, 382.

GOLF

MADEIRA ISLAND OPEN

Leading final scores Sunday of the $395,888 Madeira Island Open on the 6,606-yard, par-72 Madeira Golf Club course:

Santiago Luna, Spain	67-67-68-70—272
Christian Cevaer, France	70-69-68-69—276
Paul Curry, England	73-67-68-71—279
Olle Karlsson, Sweden	72-66-75-68—281
Dean Robertson, Scotland	73-70-68-70—281
Jose Coceres, Argentina	72-67-71-71—281
Iain Pyman, England	75-68-66-72—281
Steen Tinning, Denmark	74-65-67-75—281
John Hawksworth, England	72-72-71-67—282
Ruben Alvarez, Argentina	71-70-72-69—282

CRICKET

FIFTH TEST

England vs. Australia, 3d Day

Sunday in Perth

England 1st Innings: 295
Australia 2d Innings: 87-2

FIRST TEST

New Zealand vs. West Indies, 2d Day

Saturday, in Christcurch

New Zealand 1st Innings: 221-6
Rain canceled 3d day on Sunday.

FIRST TEST

Zimbabwe vs. Pakistan, 4th Day

Saturday, in Harare

Zimbabwe 1st Innings 544-4 (declared)
Pakistan 1st Innings: 322
Pakistan 2d Innings: 158
Result: Zimbabwe won by an innings and 64 runs.

SOCCER

DUTCH FIRST DIVISION

Dordrecht '90 0, PSV Eindhoven 2
Roda JC Kerkrade 5, Vitesse Arnhem 0
SC Heerenveen 4, FC Volendam 0
Willem II Tilburg 1, MVV Maastricht 0
Ajax Amsterdam 3, NAC Breda 1
Sparta Rotterdam 5, RKC Waalwijk 2

Standings: Ajax 33 points, Roda JC 30, FC Twente 26, PSV 25, Feyenoord 23, Heerenveen 23, Willem II 23, Vitesse 21, FC Volendam 18, MVV 16, Sparta 16, FC Groningen 15, FC Utrecht 15, NAC 15, NEC 14, RKC 13, G.A. Eagles 8, Dordrecht '90 6.

ENGLISH PREMIER LEAGUE

Coventry 2, Chelsea 2
Everton 2, Norwich 1
Ipswich 0, Crystal Palace 2
Leicester 1, West Ham 2
Manchester United 1, Aston Villa 0
Nottingham Forest 1, Liverpool 1
Queens Park Rangers 3, Newcastle 0
Sheffield Wednesday 3, Arsenal 1
Southampton 2, Manchester City 2
Wimbledon 0, Leeds 0
Tottenham 3, Blackburn 1

Standings: Blackburn 59 points, Manchester United 57, Newcastle 48, Liverpool 47, Nottingham Forest 44, Tottenham 42, Leeds 39, Sheffield Wednesday 39, Wimbledon 36, Norwich 34, Arsenal 33, Chelsea 32, Manchester City 32, Aston Villa 31, Southampton 30, Crystal Palace 30, Queens Park Rangers 30, Everton 30, West Ham 28, Coventry 28, Ipswich 28, Leicester 18.

FRENCH FIRST DIVISION

Rennes 2, Sochaux 1

Standings: Nantes 54 points, Lyon 44, Paris-St. Germain 44, Cannes 40, Lens 37, Auxerre 36, Strasbourg 36, Bordeaux 36, Monaco 33, Metz 33, Martigues 32, Le Havre 31, St. Etienne 30, Rennes 28, Lille 27, Bastia 24, Montpellier 22, Nice 21, Caen 21, Sochaux 19.

FRENCH CUP

Tenth Round Results

Auxerre 0, Lens 0
(Auxerre win 4-3 on penalties)
Martigues 0, Paris-St. Germain 1
Nice 0, Olympique Marseille 1
Lyon 1, Angers 3
Noisy-le-Sec 2, Metz 2
(Metz win 3-2 on penalties)
Aubervilliers 0, Montpellier 1
St. Leu 1, Nantes 1
(St. Leu win 4-2 on penalties)
Poitiers 2, Monaco 1
Thouars 1, Le Havre 2
Nancy 2, St Brieuc 1
Fecamp 2, Chateauroux 3
Strasbourg 1, Lille 0
Bastia 3, Cannes 0
Cherbourg 1, Beauvais 3

SPANISH FIRST DIVISION

Valencia 0, Atletico de Madrid 0
Tenerife-Zaragoza (Late Game)
Real Sociedad 1, Compostela 1
Oviedo 3, Espanol 0
Valladolid 1, Racing de Santander 1
Barcelona 3, Sporting Gijon 1
Celta 0, Albacete 0
Betis 1, Logrones 0
Real Madrid-Sevilla (Late Game)
Deportivo 0, Athletic de Bilbao 0

CARLSBERG CUP

Yugoslavia 1, South Korea 0

TRANSITIONS

BASEBALL

American League

CALIFORNIA—Purchased the contract of Pete Coachman, infielder, from Winnipeg, Northern League.

CLEVELAND—Purchased the contract of Pete Kuld, catcher, from Thunder Bay and Dennis Wiseman, pitcher, from Duluth-Superior, Northern League.

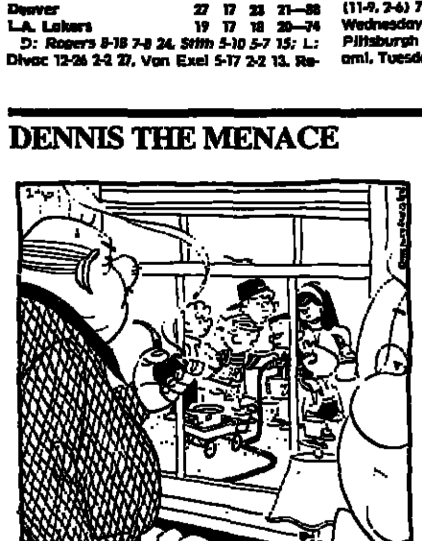
KANSAS CITY—Purchased the contract of Jim Wilson, first baseman, from Winnipeg, NL.

MILWAUKEE—Purchased the contract of Mark Futrell, pitcher, from Winnipeg.

OAKLAND—Sold the contract of Troy Neel, first baseman, to the Orix Blue Wave of the Japanese Pacific League. Purchased the contract of Jeff Bittiger, pitcher, and Mike Hankins, shortstop, from Winnipeg.

SEATTLE—Purchased the contract of Jeff Pearce, pitcher, from Thunder Bay, Northern League.

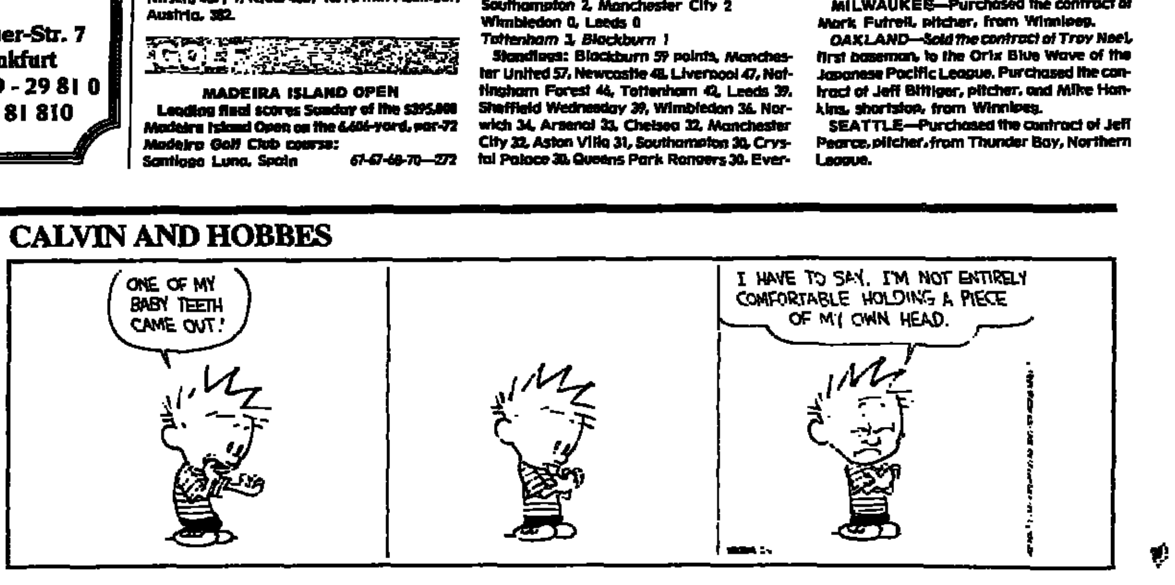
DENNIS THE MENACE



"IT'S BAD ENOUGH THAT HE'S A PEST, BUT NOW HE'S GIVING LESSONS."

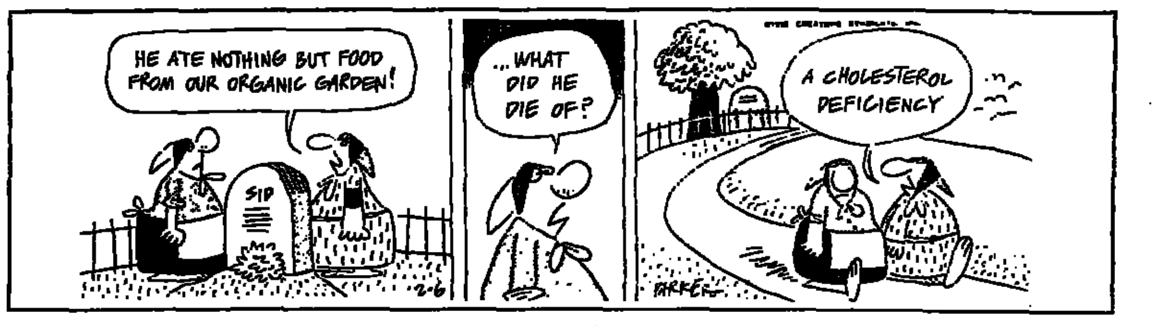
PEANUTS

CALVIN AND HOBBES



GARFIELD

WIZARD of ID



JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

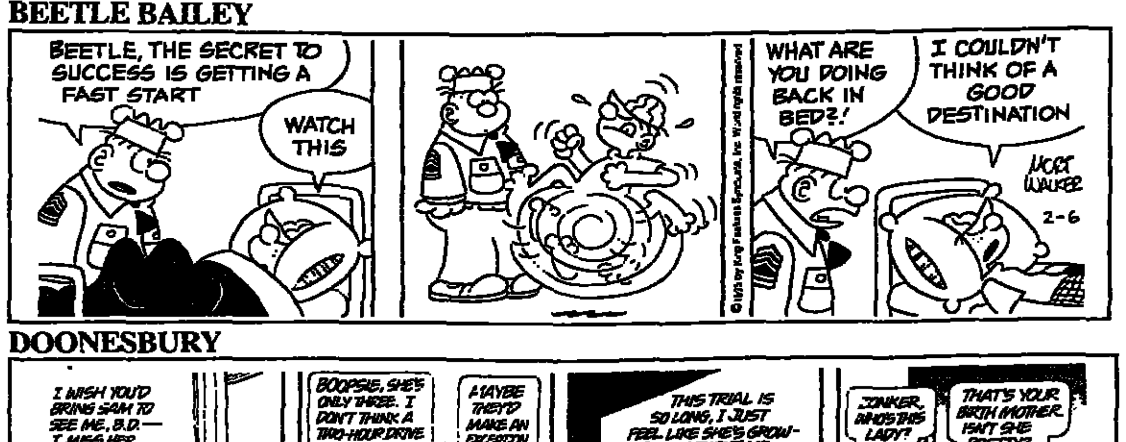
PINYP
RYDYL
MOARFT
BITLEG

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

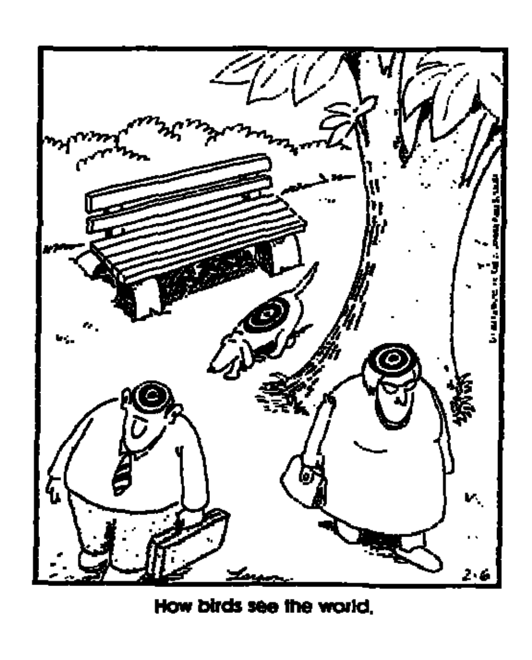
Answer here:

Saturday's Jumbles: LOUSY WEARY MISERY FLORID
Answer: What the knitting teacher gave her students — "PURLS" OF WISDOM

BEETLE BAILEY



THE FAR SIDE



How birds see the world.

BLONDIE

DOONESBURY

هكذا من الاصل

glish, Tuning Up, n French in Rugby

Ian Thomsen
ational Herald Tribune

N — To beat France for traight time was no small e English hope it will lead ger things in this World r Rugby Union, and the an five months away in a.

ive Nations Championes a proving ground, as nd in itself. England is vorite with two victories s remaining in Wales and

NATIONS RUGBY

Scotland. But the Eng- realize that their 31-10 rday — the team's big- France since 1914 — ertain as the score will both of Tony Under- s came in the waning

s superiority was cumu- than explosive En- e front pack was domi- *ghout*, and the French istration with six penal- them converted by Eng- *Rob Andrew*. (*Appeal*- h instincts, England's e had predictively re- e French as "15 Eric But this had not come ocus by the 52d minute, vantage was only 13-10 nent, that moment, be- ance.

at point England had loit its ambitious poten- ther was it living up to iarters efficiency that rear's victory in Paris. A try up the middle by cott settled England, Andrew's penalty from pot where he had failed rlier.

3 at halftime and com- the pace of the warm, as startled by Andrew's ard penalty thumping and landing in French ned to awaken the full ly had that effect on the n the grandstand's cool

, Philippe Saint-André his own 22 and passed ppe Bernat-Salles down . His chip rattled out of grip and back into the er's arms, and then he de, supported by Lau- nes, Guy Accoceberry replacement fullback ars in the opposite left French were applauded

they scored a try that an try, and it enhanced everyone," said Jack England manager. "I ney get another one of

h fans sat back down out whether their own ame kind of spark. This most important match Twickenham this year, thinking five months d, too.

tions Scoring

: Jeremy Guscott (33), Tony Un- *enalties: Rob Andrew* (19, 27, 53, Andrew (34, 98).

Sebastien Viars (50); Penalty: (18); Conversion: Lacroix (51).

: Craig Joiner (52), Damien Cro- : Gavin Hastings (5, 35, 40, 55); nes (53, 66).

Brendan Mullin (33), Jonathan Paul Burke (26).

Andrew cracked down on the lethargy right away with a penalty to make it 16-10, and within four minutes he converted another, after Cabannes was caught coming out a yard beyond his own try line. By now it was becoming clear that England, dominant for all but one play, was going to hold on — but anyone wishing for a European titlist at South Africa was looking for a stronger sign.

Underwood began to give them that near the end, outracing Saint-André for Andrew's kick into the corner. The French captain seemed to have position, there was a shove as both men flopped, whereupon the ball hopped with its last breath into the right-winger's arms. The finish appeared to be choreographed for England, which celebrated the 80th minute with the fullback Catt releasing down the line before slipping the ball inside to Underwood.

"When you can exercise control on the game, you eventually probe and find weakness, and that was what we wanted to do," Rowell said.

France, having relinquished the momentum of its two victories last summer in New Zealand, is now left hoping that England will unravel in two weeks in Cardiff. It isn't likely, but even if it happens, it's only going to help France in the short-term of the Five Nations. "It looks like they are better placed to win the World Cup than we are," conceded the French manager, Pierre Berbizier.

England has beaten fellow contenders South Africa, Australia, New Zealand and France in the last 18 months. "We shouldn't overemphasize what we've done so far," said Rowell, as if he can stop the tide of hype. No, his job now is to somehow live up to it.

● *Gavin Hastings surpassed two* international milestones to lead Scotland to a 26-13 victory over Ireland in their Five Nations match in Edinburgh, The Associated Press reported.

The Scottish captain and fullback went over the 500-point mark in international rugby by kicking four of five penalties and converting both of Scotland's tries. The 16 points gave him a career total of 504.

Hastings also made a Scottish record 53d appearance.

He out-kicked his struggling counterpart, Ireland's Paul Burke, and set up Craig Joiner's go-ahead try in the second half.

The kicking was the difference as both teams scored two tries. Joiner and Damian Cronin went over for Scotland, and Brendan Mullin and Jonathan Bell for Ireland.

The victory at Murrayfield was Scotland's first in the Five Nations tournament in two years. The team ended a 10-match international winless streak two weeks ago with a victory over Canada while the other teams in the Five Nations were playing their openers.

The defeat left Ireland, which lost to England by 20-8 two weeks ago, in sole possession of last place in the tournament. The Irish haven't beaten Scotland at Murrayfield since 1985.

The tone was set when both teams were whistled for offside in the shadow of their own goalposts in the opening five minutes. Ireland standoff Burke missed wide with his penalty attempt, while Hastings converted to give Scotland the lead.

Burke missed a second penalty, and Ireland was frustrated again when the ball was knocked forward on a line-out less than a meter from the Scottish try-line.

Ronald Zak/The Associated Press

Thomas Muster was overcome after beating Sergi Bruguera to advance Austria.

U.S. and Sweden Notch Victories in Davis Cup

Denmark Pushes Edberg & Crew to the Wall Before Yielding in a Tough 5-Set Finale

Compiled by Our Staff From Dispatches

Todd Martin bounced back from an earlier defeat to beat France's Guy Forget in straight sets on Sunday in St. Petersburg, Florida, and seal the Americans' victory in their Davis Cup World Group clash.

"I'm just glad I could redeem myself after Friday," said Martin, who beat Forget 6-3, 7-6 (7-3), 7-6 (7-5). "The performances I saw the last three days inspired me to pick up my level of play."

There was no redemption for Forget, who lost all three of his matches. He fell to Jim Courier on Friday and on Saturday he and Olivier Delaitre lost in four sets to the world's top-ranked doubles team of Jarred Palmer and Richey Reneberg.

Courier was to play Cedric Pioline in the final singles on Sunday.

The United States advanced to a second round match with Italy in Palermo.

Sweden 3, Denmark 2: Defending champion Sweden, one of only two countries in the history of the Davis Cup World Group to win a match after being down 0-2, did it again Sunday as Stefan Edberg and Jonas Bjorkman led a 3-2 victory over Denmark.

Bjorkman, playing in place of the ill Magnus Larsson, nearly blew a 4-0 lead in the fifth set before beating Frederik Fetterlein, 6-7 (5-7), 6-4, 6-7 (5-7), 6-3, 6-4 to clinch the contest.

Earlier, world No. 9 Edberg had tied the score at 2-2 with a

DAVIS CUP

2-6, 6-3, 6-2, 7-6 (7-3) victory over Kenneth Carlsen.

"If I had lost both my games against the Danes, I just wouldn't have survived," said Edberg, who lost to Fetterlein on Friday.

It was only the fourth time that a team has come from 0-2 down to win a World Group match since its introduction as the top level for Davis Cup play in 1981 — and three of the four times it was an Edberg-led Sweden team that pulled it off.

The Swedes did it against Canada in the first round in 1992, and again against the United States in last year's semifinals. Mexico also came back from 0-2 against Switzerland in 1988.

Bjorkman, ranked 47th in the world rankings, was called into service when the 16th-ranked Larsson pulled out with an upset stomach. After Bjorkman and Edberg lost their singles matches Friday, Bjorkman and Jan Apell took the doubles Saturday to set up the tense finish.

Fetterlein, ranked No. 125, rallied to cut Bjorkman's lead to 5-4 in the last set before dropping the final game on the indoor carpet at Copenhagen.

"I was very close to making it in the final set, but he was the best," said Fetterlein.

Germany 4, Croatia 1: In Karlsruhe, Germany, Michael Stich won his third match Sunday as Germany completed a 4-1 win over Croatia to reach the quarterfinals of the Davis Cup.

Germany, led by Boris Becker and Stich, proved too much for Croatia, which was making its World Group debut. The two Top 10 players had combined to power Germany to an insurmountable 3-0 lead after Saturday's doubles, proving too strong for Goran Ivanisevic and Sasa Hirszon with a score of 6-4, 7-6 (7-3), 7-5.

Ivanisevic picked up Croatia's only point when he won a battle of big servers against Markus Zöcke, 6-4, 7-6 (7-4). Stich then followed by struggling past Sasa Hirszon in two identical 7-6 (7-4) sets. Germany plays the Netherlands next.

Austria 4, Spain 1: Thomas Muster outpowered Sergi Bruguera of Spain, 6-4, 7-5, 6-3, to give Austria an unbeatable 3-1 lead.

After Muster moved Austria into the quarterfinals, Alexander Antonitsch put away Carlos Costa, 6-3, 6-4, before a home crowd.

The wins followed an Austrian doubles victory Saturday, with Muster and Antonitsch outlasting Bruguera and Emilio Sánchez, 6-2, 3-6, 6-3, 6-3.

Netherlands 4, Switzerland 1: Richard Krajicek of the Netherlands defeated novice Lorenzo Manta of Switzerland, 6-4, 6-4, 6-2, in Geneva to assure the Netherlands of victory. Following that match, Jan Siemerink of the Netherlands, defeated Patrick Mohr of Switzerland, 6-4, 6-3. The Netherlands will play its next round against Germany.

On Saturday, Jacco Eltingh and Paul Haarhuis of the Netherlands defeated Jacob Hlasek and Lorenzo Manta, 6-3, 6-4, 5-7, 6-4. The Dutch duo, who top the world doubles rankings, had to overcome surprisingly tough resistance from the Swiss pair, who have never played together, even in practice.

Russia 4, Belgium 1: Yevgeny Kafelnikov and Andrey Olhovskiy survived an early scare but came back to win their doubles match against Belgium in Antwerp.

Kafelnikov and Olhovskiy beat Libor Pimek and Filip Dewulf, 2-6, 7-5, 7-5, 6-3, giving Russia an insurmountable 3-0 lead.

In Sunday's singles matches, Johan van Herck of Belgium defeated Kafelnikov, 6-7, 6-3, 6-1, and Andrei Chesnokov of Russia defeated Kris Goossens, Belgium, 7-6, 2-6, 7-6.

Italy 4, Czech Republic 1: On clay at Naples, Italians Stefano Pescosolido and Cristian Brandi defeated Cyril Suk and Martin Damm key doubles match, 6-2, 1-6, 7-6 (7-3), 7-6 (7-2). In Sunday's singles, Andrea Gaudenzi of Italy defeated Slava Dosedel, 6-3, 6-2, 4-6, 6-2, and Renzo Furlan of Italy defeated Daniel Vacek, 3-6, 7-6 (8-6), 6-2. *(AFP, AP)*

Tomba, by a Whisker, Makes It 10 Victories

The Associated Press

ADELBODEN, Switzerland — The apparently invincible Alberto Tomba has won his third giant slalom, by just seven-hundredths of a second, bettered his own season record and moved closer to his first overall World Cup title

The 28-year-old Italian posted a time of 2 minutes, 21.96 seconds for two runs Saturday down the demanding Kuonisbergli course, which drops 375 meters (1,237 feet), and with a dramatic finish pushed Jure Kosir of Slovenia into second place.

Kosir clocked 2:22.03. Harald Strand-Nilsen of Norway, the surprise leader after the opening run, was third in 2:22.10.

Tomba has won all seven slaloms and three of the five giant slaloms this season, leads the standings in both disciplines, and now has won 43 World Cup races. His previous season's best, nine victories, came in 1988 and 1992. Ingemar Stenmark, holds the men's record with 13 triumphs in 1979.

"I've had three months on the top of my form and lots of victories," Tomba said. "Even if the victories boost my morale, it get's tiring."

He increased his lead in the overall standings to 1,150 points, 480 ahead of Kosir, a 22-year-old slalom specialist. Five-time world champion Marc Girardelli is third with 563.

Girardelli finished a disappointing 18th. But the all-rounder can hope to pick up points from the remaining 12 races this season. Tomba has only four more races, or five if he ignores his father's advice and takes part in a super-G in the World Cup finals in Bormio, Italy, in March.

"I can say more about my chances in the overall World Cup in three week's time. But it's looking good," Tomba admitted.

Saturday's race helped fill in a two-week gap left by the scrapping of the World Championships in Spain. It replaced one called off Jan. 24 because of bad weather, and was the first time Tomba had won in Adelboden, one of the classic giant slaloms on the circuit.

He skied smoothly on the first run until he made a mistake two gates before the end to lose valuable time to Strand-Nilsen.

Snow and poor visibility plagued many skiers in the second run. Tomba, losing time on the flat middle part of the 53-gate course, fell behind Kosir, then recovered on the steep and icy third part.

Gary C. Caskey/Reuters

Rioja de España was dwarfed by the aircraft carrier USS Abraham Lincoln.

U.S. Navy Brings Cup Racing to Halt

The Associated Press

SAN DIEGO — A heavy fog and one of the largest ships in the U.S. Navy brought racing to a halt in one of the strangest incidents in the 144 years of America's Cup competition.

The countdown was underway for the start of the second race on the challengers' course Saturday when the carrier USS Abraham Lincoln sailed out of the fog and onto the course.

"How she wandered in there I don't know," said the race director, Pat Healy. "We were anchored out there for an hour. It wasn't as though we were hiding in the bushes.

"They've got instruments on there that can see a body in the water and I don't know why they didn't see us."

France 3 and Team New Zealand, in the first challengers' match, were involved in a neck-and-neck tacking duel on the first leg of the course. oneAustralia and Nippon Challenge were beginning their prestart maneuvers for the second race of the day.

The Nimitz Class nuclear-powered aircraft carrier, measuring 1,092 feet in length, dwarfed the 75-foot long carbon fiber America's Cup boats. Puzzled sailors peered across the water at each other for more than 10 minutes.

The Abraham Lincoln, which had been involved in training exercises off San Clemente Island, was looking for a clearing in the fog to airlift passengers to San Diego.

America's Cup organizers halted the races that had not cleared the start line and made a passageway between 40 spectator boats to allow the Abraham Lincoln to pass through.

By the time the carrier was out of sight, the fog had blanketed the whole course.

After waiting for more than two hours for it to clear, the U.S. Coast Guard ordered racing on both the challenger and defender courses to be called off for the day.

The contest between Team New Zealand and France 3 was allowed to continue, even though visibility was down to less than 50 feet at times. The race committee monitored the the yachts using the satellite based Differential Global Positioning System carried on board the boats.

Team New Zealand won by 1 minute, 16 seconds, with France 3 protesting it had been hindered by a New Zealand tender boat and a TV boat getting too close.

Skate Body To Consider Prize Money

Reuters

DORTMUND, Germany — The International Skating Union said Sunday it was considering awarding prize money at European and world championships.

The skating body's president, Ottavio Cinquanta of Italy, said the matter would be discussed before the next biennial congress of the organization, in Jerusalem in 1996.

The suggestion was immediately welcomed by the new European women's champion, Surya Bonaly of France.

"It is a good idea," she said. "In skating, a career is short. We need the money now, not when we are 60."

Bonaly, 21, produced an exciting performance to gain her fifth consecutive European figure skating title. Russia's Olga Markova won the silver and Elena Liashenko of Ukraine placed third.

Ilya Kulik, 17, of Russia won the men's event, holding off Olympic champion Alexei Urmanov.

Germans Mandy Woetzel and Ingo Steuer took the pairs, and Susanna Rahkamo and Petri Kokko of Finland captured the dance event.

CROSSWORD

DOWN

1 Thatcher's successor
2 Dodge
3 In one's —— eye
4 Pindar product
5 Goes on a crash diet
6 One of the *Osmonds*
7 Heidi's home
8 Newspaper feature: Abbr.
9 Prepares dough
10 Warner Oland film portrayal
11 *Part to play*
12 Andy's pal on old radio
13 Sugar source
18 Only
23 Takes five
25 Ralph Bellamy *film portrayal*
26 Chowed down
28 Bonkers
29 Nest site
30 Anglo-Saxon worker
31 Lively dance
32 Start, as a dead battery
33 Mishmash
34 Book after Proverbs: Abbr.
38 —— at the bit
39 Scalawag
44 Temporal
47 Eddie Rickenbacker, e.g.
49 Arizona city
51 Environmentally-minded
52 Knight's suit
53 Plow man
54 King Edmund's successor
55 "Hamlet" has five of them
56 *Pink, as steak*
57 Borden product
58 Analogous
62 Kin of a Keogh plan: Abbr.
63 Selznick studio

16 *Catcher's base*
17 Margaret Rutherford film portrayal
19 Skin cream ingredient
20 Peculiar
21 *Goddess of* discord
22 Apprehend
24 Part of R.O.T.C.
26 1963 Pulitzer biographer Leon
27 Gettysburg general
28 1984 Tom Selleck film
32 Author —— Chandler Harris
35 Tartan wearer
37 Succinctly worded
38 Worrier's woe, they say
40 Weed digger
41 Vista
42 Tiny: Prefix
43 *Poet Sexton*
45 Canine command
46 *Utah banned it in 1882*
48 Doctors' org.
50 *Wisecrack*
51 Lobbed explosive
55 *Polemist*
58 Humanities
59 Checkers side
60 *Auto racer* Yarborough
61 Mickey Spillane film portrayal
64 Quiz choice
65 "The Tempest" sprite
66 "Earth in the Balance" author
67 Detected
68 Mary *Poppins*, e.g.
69 Hoarse horse?

Puzzle by Gregory E. Paul

© *New York Times/Edited by Will Shortz.*

Solution to Puzzle of Feb. 3

T	A	J	M	A	H	A	L		O	N	I	O	N	S
E	Q	U	A	L	I	Z	E		D	A	N	N	O	N
R	U	N	O	U	T	O	F		O	T	T	A	W	A
M	A	I		M	O	R	T	A	R	S		D	O	C
I	R	O	N		N	E	O	N	S		K	I	R	K
T	I	R	O	L		S	U	N		M	E	E	S	E
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B	I	S		R	E	A	C	T	E	D		A	T	E
E	N	T	R	E	E		H	A	V	A	R	T	I	S
R	A	M	O	N	S		O	V	E	R	R	I	C	E
G	L	E	N	D	A		S	A	L	E	S	T	A	X

Weekend Results From Other Davis Cup Zone Matches

ASIA-OCEANIA ZONE

Group One

New Zealand 5, Taiwan 0 (in Wellington); Singles: Brett Steven def. Chen Wei-Ju, 7-6 (7-2), 6-1; Steven Downs def. Tsai Chia-Yen 6-1, 6-4; **Doubles:** Brett Steven and James Greenhalgh, def. Lien Yu-Hui and Chen Wei-Ju, Taiwan, 6-2, 6-3, 7-5.

South Korea 5, Indonesia 0 (in Seoul); Singles: Yoon Yong-Il def. Suwandi Suwandi, 6-2, 6-3; Lee Hyung-taik def. Bonit Wiryawan, 6-3, 6-4; **Doubles:** Chang Eui-Jong and Kim Chi-Wan def. Bonit Wiryawan and Taddy Tendulung, 6-4, 6-4, 1-6, 6-2.

Philippines 3, Japan 2 (in Manila); Singles: Joseph Lizardo, *Philippines, def. Shuzo Matsuoka*, 4-6, 6-3, 0-6, 6-2, 7-0 (retired); Robert Angelo, Philippines, def. Ryuso Tsujino, 6-0, 6-2, 6-1; **Doubles:** Shuzo Matsuoka and Takao Suzuki, Japan, def. Robert Angelo and Cornelio Palahang, 6-3, 6-3, 6-3.

India 4, Hong Kong 1 (in Calcutta); Singles: Leander Paes, India, def. John Hui, 6-3, 6-1; Thorsten Poetzl, Hong Kong, def. Mahesh Bhupathy, 7-6 (8-6), 7-5; **Doubles:** Leander Paes and Gaurav Nafekar, India, def. Sven Kohler and Thorsten Poetzl, 6-4, 6-2, 6-1.

Group Two

China 3, Pakistan 2 (in Lahore); Singles: Mohammed Khalil, Pakistan, def. Xia Jiaping, 5-7, 6-4, 6-2, 3-6, 6-3; Mohammed Khalil, Pakistan, def. Pan Bing, 6-3, 7-6 (7-2), 1-6, 7-6 (7-4); Xia Jiaping, China, def. Omar Rasheed, 7-6 (7-5), 4-6, 7-6 (7-2), 1-6, 7-6 (7-4); **Doubles:** Pan Bing and Xia Jiaping, China, def. Mohammed Khalil and Omar Rasheed, 6-4, 7-5, 4-6, 7-6 (13-11).

Thailand 4, Malaysia 1 (in Bangkok); Singles: Narathorn Srichaphand, Thailand, def. Wilson Khoo Kim Huat 6-4, 6-4, 6-1; Voraphol Thongkamchu, Thailand, def. Ramaiah Ramachandran, 6-1, 7-5 (best of three); **Doubles:** Narathorn Srichaphand and Vittaya Samrel Thailand, def. Adam Malik and Ramaiah Ramachandran, 4-6, 6-2, 4-6, 6-3, 6-4.

Uzbekistan 3, Qatar 2 (At Doha, Qatar); Singles: Oleg Oparodov def. Nasser Ghanem al Khulaifi, 6-1, 6-4, 6-1; Dimitri Tomashevich def. Sultan Khalifa al Alawi, 6-3, 6-2, 6-3; Oleg Oparodov def. Sultan Khalifa al Alawi, 6-3, 6-3, 6-2; Dimitri Tomashevich def. Nasser Ghanem al Khulaifi, 6-1, 6-0. **Doubles:** Oleg Oparodov and Dimitri Tomashevich, def. Nasser Ghanem al-Khulaifi and Mohammed Salem al-Khulaifi, 6-0, 6-1.

Sri Lanka 3, Iran 2 (in Colombo); Singles: Mohammed Reza Tavakoli, Iran, def. Jayendra Wilesekera, 7-6 (7-4), 7-5, 6-2; Rohan De Silva, Sri Lanka, def. Ramin Raziyani, 6-3, 7-5, 6-2; **Doubles:** Ramin Raziyani and Johanbakhsh Saori, Iran, def. Jayendra Wilesekera and Sanjay Wilemanne, Sri Lanka, 3-6, 6-1, 6-4, 6-2.

AMERICA ZONE

Group One

Venezuela 3, Uruguay 0 (in Caracas); Singles: Maurice Ruah, def. Marcelo Filipini, 6-4, 6-7 (6-8), 6-7 (4-7), 6-2, 7-5; Nicolas Pereira def. Diego Perez, 6-3, 3-6, 4-6, 7-5, 6-3; **Doubles:** Nicolas Pereira and Maurice Ruah, def. Diego Perez and Marcelo Filipini, 3-6, 6-3, 6-3, 7-5.

Argentina 2, Chile 1 (in Buenos Aires); Singles: Javier Frana, Argentina, def. Marcelo Rios, 3-6, 6-2, 6-3, 4-6, 7-5; **Doubles:** Javier Frana and Luis Lobo, Argentina, def. Gabriel Silberstein and Marcelo Rebolledo, 6-4, 4-6, 6-2.

Brazil 3, Bahamas 0 (in Rio De Janeiro); Singles: Luiz Mattar def. Mark Knowles, 7-6 (7-5), 6-3, 6-2; Fernando Meligeni def. Roger Smith, 6-0, 7-5, 4-6, 6-0; **Doubles:** Luiz Mattar and Fernando Roese def. Roger Smith and Mark Knowles, 6-4, 6-3, 6-2.

Mexico 2, Peru 1 (in Mexico City); Singles: Leonardo Lavalle, Mexico, def. Alejandro Aramburu, 6-4, 6-1, 6-2; Jaime Yzaga, Peru, def. Luis Enrique Herrera, 6-4, 7-5, 1-6, 6-4; **Doubles:** Leonardo Lavalle and Jorge Lozano, Mexico, def. Americo Venero and Jaime Yzaga 6-4, 6-3, 5-7, 7-6 (7-4).

Group Two

Guatemala 3, Bolivia 0 (in Guatemala City); Singles: Luis Perez Chete def. Jose Medrano, 6-4, 7-6, 7-5; Fernando Samoyoa def. Carlos Navarra, 6-3, 7-6, 6-2; **Doubles:** Jorge Taiada and Luis Vol def. Jose Medrano and Pablo Usoche, 4-6, 6-7, 6-4, 7-6, 6-4.

Ecuador 2, Cuba 1 (At Guayaquil, Ecuador); Singles: Armando Perez, Cuba, def. Luis Adrian Morejon, 2-6, 2-6, 6-2, 6-4, 6-2; Nicolas Lapentti, Ecuador, def. Juan Pino, 6-3, 6-3, 4-6, 4-6, 6-4; **Doubles:** Nicolas Lapentti and Luis Adrian Morejon, Ecuador, def. Juan Pino and Lazaro Navarro, 7-6, 7-6, 6-4.

Canada 2, Haiti 1 (in Port au Prince); Singles: Bertrand Madsen, Haiti, def. Sebastien Lareau, 4-6, 7-6, 3-6, 6-3, 6-4; Andrew Sznolder, Canada, def. Ronald Agenor, 6-4, 6-3, 3-6, 6-4; **Doubles:** Daniel Nestor and Grant Connell, Canada, beat Ronald Agenor and Patrice Baker, 6-3, 6-3, 6-1.

Colombia 2, Paraguay 1 (in Asuncion); Singles: Mauricio Hadad, Colombia, def. Ramon Delgado, 6-7 (14-12), 6-3, 3-6, 7-6 (7-5), 6-4; Ricardo Mena, Paraguay, def. Mario Rincon, 6-2, 6-4, 6-2; **Doubles:** Mauricio Hadad and Miguel Tobon, Colombia, def. Ricardo Mena and Ruben Alvarenga, 6-4, 6-1, 6-2.

LANGUAGE

The Rebuttal Game: Granted but. . .

By William Safire

WASHINGTON — Want to anticipate a rebuttal? Want to show how profoundly you understand your opponent's arguments before demolishing them? Then play the popular rhetorical game of *to be sure . . . but.*

This has nothing to do with the earliest meaning of the phrase, which is "to be certain." Nor is it synonymous with "of course," as in a 1657 discourse on the Book of Common Prayer: "Morning and Evening, to be sure, God expects from us . . . a publick worship." By 1795, a new sense emerged, of offering a concession before countering it: "The wind is contrary, *to be sure, but* it is far from a storm." The current, heavy use of the phrase has that seemingly reasonable purpose, but it conceals the real goal: to pull the teeth of targets before they can bite back.

In op-ed-ese, *admittedly* is as outdated as *true enough. Concededly* is too likely to be confused with *conceitedly. Stipulated* is too legalistic, almost as billable to clients as *arguendo.* About the only other introduction to a grudging concession used these days is *granted,* but that, like *admittedly,* lacks the sonorous seriousness of the most voguish fang-extractor.

"*To be sure,* Mr. Gingrich has a right under House ethics rules to write a legitimately financed book and make money from it," goes a New York Times editorial. "*But* he cannot expect . . ."

"*To be sure,* the next afternoon things were marginally better . . .," Jonathan Yardley writes, coining his cliché in The Washington Post. "*Still* . . ."

The straw-man modifier, *to be sure,* is sometimes intended to lull the opponent into thinking a valuable point has been conceded; more often, it treats as minor a portion of the opposing argument while setting up an assertion of what the to-be-surer wants to be considered more important. The telltale clue in detecting the construction of the straw-man modifier is the contrarian conjunction: *but, still, nonetheless.*

In the ranks of the practitioners of this there-are-those-who-will-point-out school of rhetoric, however, nobody comes close to our deputy secretary of state, Strobe Talbott. Perhaps because he used to be a pundit for Time magazine, he is extraordinarily sensitive to the need to anticipate and tolerantly acknowledge counterargument.

"*To be sure,* elections are neither a panacea for social ills nor a guarantee of enlightened government," he lectured his audience at Oxford, adding: "*Nonetheless* . . ." Then: "*To be sure,* the United States still has disputes with Russia and with China . . . *but* there is, for the first time, no defining polarization."

For variety, the adept concessionarian slipped the phrase into the middle of a sentence: "The central issue . . . did, *to be sure,* involve land and power. . . . *But* the Cold War was not just about land and power." Then back to the old-fashioned way: "*To be sure,* there are still a few countries that continue to decorate their flags with red stars . . . *but* these holdout communist states, too, offer reason for what might be called strategic optimism."

Sometimes it takes an explosion of uses in a single place to shock us into taking the anticliché pledge. Because Talbott is the only professional writer at the high levels of the administration, it is fair to thank him for his pyrotechnic display of to-be-surety. Granted, he didn't know he was doing it. . . .

□

One is where it's at.

The House has been up to the usual kind of political fighting," said Bob Franken, reporting on, CNN, "even on *Day 1.*" This usage was given prominence by Newt Gingrich's promise to hit the ground running on his Contract With America: asked about welfare changes that could take two years, the speaker said: "I'm closer to *Day 1.*"

The locution gained a purchase on the American vocabulary in the 1970s. "The game shows," Forbes magazine wrote in April 1975, " . . . make money from *Day 1* for everyone." That year, The Economist in London discussed wage and price controls, using the phrase in "values at *day one* of the freeze." Business Week at the same time wrote of assets that "belong to your child from *day one,*" suggesting that the phrase had its roots in the business world.

The Dialog data base tracks it back to a Miami Herald sportswriter, Scott Fowler, who wrote on Dec. 31, 1939: "From *day one,* we knew there would be a market of people out there that would want to sit in the first couple of rows." (Everybody styles the phrase differently; The New York Times prefers *Day 1.*)

The phrase was popularized by the ABC television program "*Day 1,*" which began in 1993. But the Gingrich use seemed to trigger a proliferation of usages. "This Week With David Brinkley" on ABC titled a program "The 104th Congress — *Week One,*" and a New York Times editorial was headed "Governor Whitman at *Year One.*" (Here we are on the verge of Millennium Three, and nobody *has yet referred to Millennium One.*)

Can anyone find an earlier use of this booming locution than The Miami Herald in 1939? If so, you may be the discoverer of *Day 1's* Day 1.

New York Times Service

Florence's Master of Embroidery

By Ken Shulman

FLORENCE — Loretta Caponi prefers not to drop too many names. Her lingerie, linens and lace can be found across the world, from Hollywood to Saudi Arabia. Steven Ross, the late president of Time Warner, hired her to outfit his newly purchased estate in Italy. An Anglo-Italian noble family commissioned a set of Caponi linens, embroidered with the insignia of Buckingham Palace, as a wedding gift for Prince Charles.

"I think I have designed for some of the most important people in the world," says the creator and owner of an exclusive yet surprisingly accessible shop. "Actors, aristocrats, industrialists, artists. Anyone looking for beauty knows that he can find it here. I just don't think it is proper for me to name them."

Tastemakers

An occasional series about people for whom style is a way of life

Loretta Caponi and her daughter in their Florentine store.

Born into a humble Florentine family in 1924, Caponi is one of a rare breed in Italy: the self-made woman.

She began her career at the age of 9 when her parents sent her out to work in the afternoons after school. "They sent me to a farm woman who taught little girls how to do needlework," she remembers. "There was a 19th-century tradition that girls should learn how to embroider, and my parents were very old-fashioned."

In 1938, at the age of 14, Caponi set out on her own in search of contract work.

She found it at a shop in Borgo Ognissanti, across the street from where she would open up her own store 29 years later.

With virtually no experience or preparation, Caponi went from embroidering napkins and handkerchiefs to the creation of custom nightgowns and lingerie for Florentine noblewomen. Soon she had more orders than she could fill.

"I had seen once how cloth was cut in another workshop," she says. "Essentially, I followed my instincts. They gave me the fabrics, and I turned them into garments. Even today, I cut my cloth without a model. If I see a person, I can make him something that fits him perfectly without having to take his measurements."

After World War II, Caponi began to exhibit twice a year in a Rome atelier.

Introduced into Italian literary and artistic circles by her husband, a Florentine painter, Dino Caponi, she made nightgowns for the wives of Italy's best known painters, Giorgio de Chirico.

"They all were so poor that they had to pay in installments," she recalls. "Except for Chirico, who had made some money with his work by then."

Caponi attributes much of her sensitivity to her contact with the cream of Italy's intelligentsia, a group of writers and artists who met each evening for a game of cards at her husband's studio, and for whom she usually prepared a bowl of spaghetti at midnight.

"It was a mind-opening experience for me," she says, as she remembers listening to the conversation of poets Eugenio Montale, Piero Bigongiari and Mario Luzi. "I have no formal education. I left school when I was 12. My university was just being near these brilliant men."

Word of her ability spread quickly and soon she was receiving commissions for custom sheets and towels from the owners of some of Italy's most elegant homes. She also began making baby clothes.

Although her style varied, her taste remained constant: classic, refined and very Florentine.

"This city has a centuries' long tradition of artisanship, something that exists in no other city in Italy," she says.

"Florence is a city that demands quality and excellence. You can see it in its architecture. It is a city that will not allow you to do certain things. Still, I don't think of myself as conservative, except in the way that I help to conserve a tradition. In my designs and embroidery, I choose the patterns and colors that I like."

In 1967, the year after the devastating Florentine flood, Caponi opened her first store, which was an astonishing success.

At the same time, she also began collecting embroidery and lace. Today she owns thousands of pieces, including lace handkerchiefs from the 1600s, a dress that belonged to Queen Victoria and one that belonged to the Empress Elizabeth of Austria, better known as Sissi. In 1991, Caponi donated a part of her collection to Florence's Bargello Museum.

Last year the city of Florence honored her with its Firenze Donna prize, an award instituted in 1992 for the women who best represent the spirit of Florence to the world.

During the awards ceremony, held in the splendid Salone del '500 in Palazzo Vecchio, Caponi mused on the fate of a girl who was sent to learn to embroider at the age of 9. "I looked up at those enormous frescoes, and even though I heard them read my name, it was like they were talking about someone else. I did feel proud, however. And I felt like a citizen of this city."

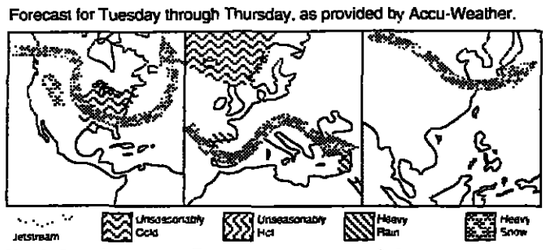
For many years Caponi kept two workshop-stores in Florence, and a third in nearby Forte Dei Marmi. Last fall she merged her two Florence stores in a new location in the Piazza Antinori. "I want it to be like a big house," she says. Despite the volume of her business — and the considerable prices her pieces fetch — she still conceives of herself as a cottage industry.

"A place where people can come in and see how these things are made. This craft is too important. It must not be allowed to die out."

Ken Shulman is an American writer based in Italy.

WEATHER

Forecast for Tuesday through Thursday, as provided by Accu-Weather.



North America

Cold weather will be the rule Tuesday through Thursday from Boston to New York City and Washington, D.C., and the cold will be accompanied by gusty winds at times. Tuesday will also be cold in Chicago, then there might be some moderation by Thursday.

Europe

Icy-cold winds bearing snow showers will chill western Norway to Denmark and far-northern Germany. Showers will dampen England to Germany, though excessive rain is unlikely. Some rain and chilling wind will hit Portugal and Spain; showers may spill east to Italy at midweek.

Asia

A break from normal winter cold is slated for Beijing and Seoul to Osaka and Tokyo, the wind will be chilly at times. There may be some rain by Thursday in Japan. Showers will at times dampen Taiwan to Shanghai, Hong Kong and Guangzhou. Jakarta and Singapore will have passing downpours.

Europe

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Algiers	21/70	11/52	s	18/64	11/52	s
Amsterdam	8/46	4/39	pc	7/44	3/37	sh
Ankara	2/35	-2/29	sn	3/37	-2/29	sn
Athens	9/48	3/37	pc	11/52	9/48	pc
Barcelona	18/64	8/46	s	19/66	10/50	s
Belgrade	3/37	0/32	c	7/44	2/35	sn
Berlin	7/44	3/37	sh	6/43	2/35	sh
Brussels	9/48	3/37	pc	8/46	3/37	sh
Budapest	2/35	0/32	sn	6/43	1/34	pc
Copenhagen	6/43	3/37	sh	3/37	0/32	sh
Costa Del Sol	20/68	9/48	s	19/66	11/52	s
Dublin	14/57	5/41	s	10/50	4/39	r
Edinburgh	9/48	5/41	sh	8/46	5/41	sn
Florence	13/55	5/41	pc	16/61	8/46	s
Frankfurt	6/41	2/35	sh	4/39	1/34	r
Geneva	10/50	2/35	pc	13/55	3/37	s
Helsinki	-2/29	-3/27	sn	-3/27	-11/13	sn
Istanbul	4/39	1/34	sh	7/44	5/41	sh
Las Palmas	24/75	15/59	s	24/75	16/61	s
Lisbon	17/62	11/52	s	15/59	10/50	sh
London	12/53	6/43	pc	9/48	4/39	sh
Madrid	19/66	3/37	s	16/61	8/43	sh
Milan	12/53	3/37	pc	14/57	6/43	s
Moscow	-3/27	-6/22	c	-2/29	-11/13	sn
Munich	8/46	2/35	c	11/52	2/35	pc
Nice	17/62	6/43	pc	19/66	9/48	s
Oslo	3/37	-4/25	r	-1/31	-7/20	sn
Palma	16/61	10/50	s	18/64	11/52	s
Paris	12/53	4/39	s	11/52	4/39	pc
Prague	3/37	0/32	sn	6/43	0/32	sn
Reykjavik	-1/31	-5/24	c	-1/31	-4/25	sl
Rome	13/55	5/41	pc	16/61	8/46	s
St. Petersburg	-5/24	-9/22	sn	-6/22	-13/9	sn
Stockholm	4/39	-1/31	sn	1/34	-5/24	sl
Strasbourg	9/48	2/35	c	11/52	3/37	s
Tallinn	-1/31	-3/27	sn	-4/25	-11/13	sn
Venice	9/48	4/39	pc	12/53	6/43	s
Vienna	4/39	2/35	sh	8/46	2/35	pc
Warsaw	1/34	-1/31	sn	2/35	-3/27	sn
Zurich	8/46	2/35	c	11/52	3/37	s

Oceania

Auckland	24/75	16/61	pc	23/73	16/61	pc
Sydney	26/79	17/62	s	28/79	16/61	s

Asia

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Bangkok	31/88	21/70	pc	31/88	23/73	pc
Beijing	12/53	-3/27	s	8/46	-2/29	s
Hong Kong	17/62	12/53	s	17/62	13/55	sh
Manila	27/80	22/71	sh	28/82	23/73	pc
New Delhi	26/79	12/53	s	27/80	15/59	s
Seoul	4/39	-4/25	s	6/43	-3/27	s
Shanghai	11/52	-2/29	s	12/53	1/34	s
Singapore	28/82	24/75	sh	28/82	25/77	t
Taipei	18/68	8/46	s	20/68	12/53	s
Tokyo	6/43	-2/29	pc	7/44	1/34	c

Latin America

Buenos Aires	31/88	17/62	s	31/88	20/68	pc
Caracas	29/84	16/64	pc	29/84	17/62	pc
Lima	25/77	21/70	sh	26/79	22/71	pc
Mexico City	20/68	7/44	c	21/70	6/43	pc
Rio deJaneiro	27/80	22/71	sh	28/82	22/71	pc
Santiago	26/79	13/55	pc	27/80	12/53	pc

North America

Anchorage	0/32	-5/24	sn	-3/27	-13/9	pc
Atlanta	3/37	-4/25	pc	6/43	-5/24	s
Boston	-7/20	-14/7	pc	-4/25	-9/16	sl
Chicago	-8/18	-13/9	s	-4/25	-10/15	pc
Denver	13/55	-1/31	pc	3/37	-7/20	pc
Detroit	-8/18	-14/7	sl	-5/24	-11/13	pc
Honolulu	27/80	16/61	s	27/80	20/68	pc
Houston	18/64	11/52	s	18/61	6/43	c
Los Angeles	23/73	11/52	pc	26/79	10/50	s
Miami	21/70	7/44	s	19/66	8/46	s
Minneapolis	-8/18	-14/7	pc	-6/22	-11/13	sl
Montreal	-16/3	-21/-5	cl	-9/16	-20/-3	sf
Nassau	24/75	17/62	pc	24/75	17/62	pc
New York	-7/20	-11/13	s	-2/29	-7/20	pc
Phoenix	27/80	13/55	s	26/79	12/53	s
San Fran.	16/61	7/44	pc	18/64	8/46	s
Seattle	10/50	4/39	pc	13/55	2/35	pc
Toronto	-10/15	-17/2	sl	-8/18	-12/11	pc
Washington	-3/27	-7/20	s	1/34	-7/20	s

Middle East

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Abu Dhabi	26/79	19/66	sh	25/77	18/64	t
Beirut	14/57	11/52	sh	14/57	8/46	sh
Cairo	11/52	6/43	sh	12/53	6/43	sh
Damascus	8/46	4/39	sh	8/46	-1/31	sh
Jerusalem	10/50	7/44	sh	11/52	5/41	sh
Luxor	14/57	0/32	pc	13/55	-2/29	pc
Riyadh	22/71	15/59	pc	26/79	10/50	s

Africa

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Algiers	18/64	11/52	s	19/66	12/53	s
Cape Town	25/77	14/57	s	21/70	13/55	s
Casablanca	21/70	8/46	s	21/70	9/48	s
Harare	21/70	9/48	pc	26/79	9/48	s
Lagos	32/89	24/75	s	32/89	27/80	s
Nairobi	25/77	9/48	s	28/82	14/57	s
Tunis	18/64	7/44	s	18/64	10/50	s

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by Accu-Weather, Inc. © 1995

POSTCARD

Mixed Reaction to Work at Fire-Damaged Windsor Castle

By Sarah Lyall
New York Times Service

LONDON — Although it gutted sections of one of Britain's more spectacular landmarks, the fire at Windsor Castle *two years ago wasn't a total disaster.*

For one thing, it encouraged Queen Elizabeth to open another of her many homes, Buckingham Palace, to tourists as a way to raise money for repairs.

The fire also presented architects the chance to redesign a small but functionally crucial part of the castle, which was built after the Norman Conquest and sprawls over 13 acres (5.2 hectares) in the town of Windsor. (More than 100 rooms were damaged in the fire, but most are being repaired exactly as they were.)

Six firms submitted ideas, ranging from *faithful restorations to startlingly modernist* plans. Predictably, no sooner had Sidell Gibson, the winning firm, unveiled its completed design — which was meant, it said, to help evoke Windsor's Gothic past — than critics derided it as "a watered-down piece of eyewash," among other things.

The design, based in part on the vision of Sir Jeffry Wyattville, who designed sections of the castle in a neo-Gothic style in the 1820s, calls for a new octagonal anteroom to be erected on the site of the old private chapel, which is to be rebuilt nearby in a new rectangular shape.

The ceiling of St. George's Hall, which burned and fell in, is to be replaced with a livelier, more elevated ceiling. (The hall, used for state banquets, will be rebuilt exactly as it was.) The new ceiling will allow space for the shields of the Knights of the Garter, which were displayed on the old ceiling, with room for about 100 new ones.

"When we first looked at Windsor Castle, we were struck by the extent to which it encapsulates so many layers of history through its 900 years of life," Giles Downes, a partner in Sidell Gibson, said. "In the past 20 years, architecture has been rediscovering its roots, and we have based our design approach on our own modern reinterpretation of Gothic."

The wave of criticism that greeted the plan is the requisite response in a country locked in a vicious battle between architectural traditionalists, championed by Prince Charles, and modernists, represented by many of Britain's leading architects.

While some people applauded the design — the Daily Telegraph said in an editorial, for instance, that "there will always be room for imaginative reconstruction of past styles" — modernist critics and some of the losing architects, said that the Sidell Gibson design was woefully retrograde.

"*What it's saying about Britain is that* it's a country that's culturally timid, trying to recapture its 19th-century history and not looking forward to the 20th century," said Jeremy Melvin, a senior lecturer in architecture at South Bank University.

"When the castle was built, it was built in the manner of its time. This is one of the principal royal residences, and it should have something of the 20th century in it, not a pale imitation of something that's at least 100 and possibly 600 years out of date."

هكذا من الاصل